



South African Institute of Race Relations

76th Annual Report
1st April 2005 to 31st March 2006



SOUTH AFRICAN INSTITUTE
OF RACE RELATIONS (INC)

76th ANNUAL REPORT

1st APRIL 2005 TO 31st MARCH 2006

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*The Institute would
deeply appreciate being
remembered
in your will.*

*Please contact the
Chief Executive should
you be willing to
discuss a possible
legacy or bequest.*

HIGHLIGHTS

- Income from investments of R2.94 million changes an operating loss from R0.71 million to a surplus of R2.20 million.
- The Institute wins the 2006 'Betterment of the Human Condition' award from the International Society for Quality-of-Life Studies.
- A particular feature of the 2004/2005 *South Africa Survey* is the large amount of demographic, economic, and socio-economic information it contains about all South Africa's local authorities.
- Twelve editions of *Fast Facts* are printed as a monthly supplement to the annual *Survey*, bringing the total number of issues published to 183 since the first one appeared in February 1991.
- The Institute's annual *South African Mirror* presentation of key demographic, economic, social, and political trends excerpted from the *Survey* and *Fast Facts* or retrieved from our files is given to Institute members, parliamentarians, officials and legislators in the North West and Limpopo, political and social groups, and business delegations.
- Our *Parliamentary Information Service* continues for another year.
- A *Provincial Information Service* is provided in six out of nine provinces.
- Dr Otto Count Lambsdorff delivers the 41st Hoernlé Memorial Lecture on 'The welfare state: Poverty relief or poverty creation?' on 1st February 2006.
- Eight other briefings and lectures are organised for members on topics including the independent school sector, management of HIV/AIDS, the independence of the judiciary, the performance of the criminal justice system, Korean economic development, the competitive challenge to South Africa from other emerging markets, and race relations.
- Students on Institute bursaries achieve a 93% pass rate at the end of 2005 and 201 students graduate, bringing the total since 1980 to 3 303 and total bursary expenditure to R186 million.
- A new bursary programme is established on behalf of the UTi Empowerment Trust.
- The Institute awards 544 bursaries for the 2006 academic year.
- Public policy issues given special attention over the past year include HIV/AIDS, education, poverty, joblessness, labour market policy, skills shortages, black economic empowerment, income trends by race, the black middle class, living conditions, land reform, official statistics, crime, public violence, prisons, the independence of the judiciary, and race.
- The Institute plays a key role in causing legislation affecting the independence of the judiciary to be shelved.
- The Institute prepares to launch a new research project into racial legislation and policy.

CHIEF EXECUTIVE'S REPORT TO MEMBERS FOR THE ANNUAL GENERAL MEETING ON 18th SEPTEMBER 2006

Mr President, Members of the Institute, I have pleasure in presenting this report to you. While the attached financial statements cover the financial year ended 31st March 2006, this narrative report is up to date to the middle of August. In July 2006 the Institute was awarded the 2006 'Betterment of the Human Condition' award by the International Society for Quality-of-Life Studies. Previous winners of the award include the United Nations Development Programme, the Human Development Index project, and the Centres for Disease Control in Atlanta. The award was made in recognition of the calibre of the Institute's research and its long fight for social justice.

FINANCE, MEMBERSHIP, AND GOVERNANCE

The Institute recorded a group operating loss of R0.71 million for the year ended 31st March 2006. When income from investments of R2.94 million was taken into account, the result was a surplus for the year of R2.20 million (after a small amount of tax was paid by our wholly-owned subsidiary, De Korte Street Properties). Income ran at 94% of the budgeted figure for the financial year and expenses at 85%. Membership fees and subscriptions ran at R2.19 million, a drop of 6% from the previous year's figure, but grants and donations increased by 22% to R2.75 million. Our operating deficit of R0.71 million was less than half of the budgeted deficit of R1.59 million. Although we did well to keep the deficit down, and while income from investments was excellent, our objective is to reduce the operating deficit to at least a break-even position. This means constant fundraising efforts by the Chief Executive.

In October last year, following amendments to our Articles of Association, the Institute's Executive Committee was replaced by a Board of Directors. On the nomination of Council, the new Board was elected by the Annual General Meeting of Members on 10th October 2005. A Special General Meeting of Members on 12th July 2006 amended the Institute's Memorandum of Association to bring it into line with the Companies Act of 1973 as amended and to enable us to retain our tax exempt status under the Income Tax Act of 1962 as amended.

RESEARCH, PUBLICATIONS, AND INFORMATION

Last year I referred to the role of the Institute as a research refinery, gathering and processing information about every aspect of South Africa from all available sources. Our hallmark has always been our regard for facts and our determination to seek them out and make them known. The annual *South Africa Survey* and our monthly *Fast Facts* are the major vehicles for regular publication of factual information. In addition, information is supplied on demand to members, to parliamentarians, and to provincial legislators.

South Africa Survey

The *2004/2005 South Africa Survey* ran to a few more than 700 pages. A particular feature was the large amount of information it contained about all South Africa's local authorities. Comprehensive demographic, economic, and socio-economic information broken down according to municipal area is not always readily available. Inclusion of all this additional data is the main reason why the *Survey* became available only in April 2006, which was later than anticipated. We are endeavouring to bring out the *2005/2006 Survey* earlier. We will also make it shorter than the last one. Inter alia, this will be done by consolidating the narrative sections which previously followed the statistical section of each chapter into a single overview of the year at the beginning of the book. As controversy has raged this past year around the provision of social services by various levels of government, I have been struck yet again by the *Survey's* unique role. It is the only comprehensive and independent monitor of all aspects of South Africa's development. The Institute is the only organisation whose scope is wide enough to embrace the political, the constitutional, the economic, and the social (this last including all aspects of employment, education, living conditions, social security, and physical security). A review in the journal *FinWeek* described the *Survey* as a 'unique and masterful guide to the state of our nation' and its appearance as one of the most significant publishing events of the year.

Fast Facts

Macro-economic indicators on South Africa are published daily in the press and on the Internet. This is not the case with socio-economic indicators, which are essential to monitoring human progress within the economy. *Fast Facts* was launched in 1991 as a monthly to fill the gap. Inter alia, it keeps track of poverty levels, employment trends, per capita income changes, wage gains, demographic patterns, living conditions, education and health figures, and household confidence indices. Other institutions have followed the Institute's lead. The Presidency recently recognised the gap, and published a new report on social indicators (using some of the Institute's figures). In addition to its factual data, *Fast Facts* contains comment on issues of public moment. Twelve editions of *Fast Facts* appeared during the period under review. They included comprehensive data about poverty and inequality, demographics, HIV/AIDS, tuberculosis, crime, prisons, and public spending. Wide ranges of indicators broken down by province and municipality were also published. More information about the contents of *Fast Facts* appears below under Public Policy Issues.

Member Information Service

The Institute's library is an unrivalled resource made up of both physical and intellectual capital. The physical material embraces both archives dating back over the decades and current files updated on a daily basis, so that there is little happening in South Africa which does not find its way into the appropriate file. Far from being simply a mechanical exercise, classification for filing involves separating the wheat from the chaff, which means our research and library staff are constantly analysing the data that arrives at the Institute. Corporate and company members who make use of the library as

part of their membership entitlement thus draw not only on what is in the files but on the knowledge about all aspects of South Africa that goes into compiling them.

Parliamentary Information Service

With sponsorship from the Royal Danish Embassy, all members of Parliament have access to the Institute's library. In addition, they are supplied with a free copy of the *Survey*, a free *Fast Facts* each month, and other occasional publications. They also receive invitations to the Institute's annual *South African Mirror* presentation at a venue close to Parliament. We provide this service because it is vital to strengthen Parliament as an institution.

Provincial Information Service

This service is similar to the parliamentary one described above. The Australian Agency for International Development (AusAID) funded it for three provinces up to the end of March 2006, while Irish Aid is funding it for another three.

South African Mirror

For the last five years (since October 2001) the Institute has been doing an annual presentation of key demographic, economic, social, and political data excerpted from the *Survey* and *Fast Facts* or retrieved from our files. Entitled *South African Mirror*, this is presented to our members at evening briefings, but is also available to them in-house. This past year this presentation has been given in Cape Town for parliamentarians, for members of the provincial legislatures in Limpopo and the North West, and for the City of Johannesburg. Other audiences included business delegations, political parties, individual companies, and the seventh congress of the International Society for Quality-of-Life Studies, held in Grahamstown.

BRIEFINGS AND LECTURES

A full list of the briefings hosted by the Institute (in Johannesburg unless otherwise indicated) is as follows:

- Professor You Jong-Il, Dr Jung Hae-Jung, and Professor Shin Won-Yong, leading Korean industrialists and economists, *Experience and strategy of Korean economic development*
- Dr Cees Bruggemans, chief economist at First National Bank, *The coming competitive challenge from fellow emerging markets*
- Ms Jean Redpath, editor of *By the People, The independent school sector and the poor*
- Dr Otto Count Lambsdorff, *The welfare state: Poverty relief or poverty creation?* (41st Hoernlé Memorial lecture)
- Dr Nomonde Xundu, cluster manager, HIV, AIDS and STI, Department of Health, *Holding back the tide: The management of HIV/AIDS in South Africa*
- Mr Justice R W Nugent, a member of the Supreme Court of Appeal, *The judiciary, the courts and the Constitution: Why so much controversy?*

- Professor Michael MacDonald, professor of political science at Williams College, Williamstown, Massachusetts, *Waiting for the sun to set on racial divisions in South Africa*
- Mr Antony Albeker, former research associate at the Institute for Security Studies, *Shooting blanks? Is South Africa's criminal justice system able to deal with its crime levels?*

Dr Otto Count Lambsdorff, who delivered the 41st Hoernlé Memorial Lecture, was chairman of the Friedrich Naumann Foundation in Germany. He is a former leader of the Free Democratic Party and was minister of economics from 1977 to 1984 in the federal cabinet. The lecture was attended by some 200 people. It was subsequently published by the Institute.

BURSARIES

Altogether 201 students graduated last year. In the past 24 years the Institute has awarded bursaries, most of them to black students, worth R186 million. Since 1980, no fewer than 3 303 students have graduated through our bursary programme in the following fields: science and engineering 986, business and commerce 881, medicine, health sciences and dentistry 487, education 385, arts 346, and law 218.

The number of bursaries awarded for the 2006 academic year is 544, which is 38 more than in 2005. Of this total 327 are new bursaries and 217 bursaries of students which were renewed following their satisfactory performance last year. Selections are carried out by an independent committee, chaired by Dr Bethuel Sehlapelo, whose names appear at the beginning of this report. Our students are always told who is financing their particular bursary. Sponsors include foreign donor agencies, local trusts, and individuals. We also administer bursary programmes for local and foreign companies. The names of the various bursary trusts administered by the Institute, as well as the names of our corporate clients and of the sponsors of our bursary programme, appear as part of the notes to our financial statements later on in this report.

We signed a contract with the UTi Empowerment Trust to run a bursary programme on their behalf, worth R800 000 this year. The AmCham Bursary Fund was augmented by R200 000 from Johnson & Johnson (and R220 000 from AmCham) on the occasion of the 75th anniversary of the Johnson & Johnson Family of Companies in South Africa. An additional sum of R200 000 has been bequeathed to the Senior Bursary Fund to bring its capital up to R250 000. The Harvard/South Africa Fellowship Programme, which the Institute has run since 1979, and from which 148 South Africans have received fellowships to study at Harvard, was discontinued following a dispute between Harvard and the Institute over selection procedures.

We have consolidated, streamlined, and restructured our bursary programme to reduce administrative costs. The SAIRR Education Trust was registered as a Public Benefit Organisation on 12th October 2005. Its deed of trust was amended on 12th July 2006 to comply with the Income Tax Act.

CAPE WESTERN REGION

Following the transfer of all its educational programmes to a new independent trust known as ASSET, the Cape Western regional committee dissolved itself. The Institute does, however, employ a regional representative in the Western Cape who is responsible for organising lectures in Cape Town. Two presentations were co-hosted with the Institute of Directors in Southern Africa and the South African Institute of International Affairs. Professor John Cartwright spoke on *Social Services, Policing and the 'Regulatory State': A South African Case Study* and Mr Andrew Kenny on *Beyond the Electricity Crisis: Options for Future Electricity Supply in South Africa*.

OFFICE BEARERS

A new Board of Directors was elected for a two-year term of office at the Annual General Meeting of members on 10th October 2005 on nomination by Council at its meeting on 8th October 2005. Newly elected to the Board were Professors Jonathan Jansen and Sipho Seepe. Ms Colleen McCaul, Mr Ishmael Mkhabela, and Mr Sam Mosikili were co-opted to the Board. Professor Charles Simkins was elected Chairman and Mr Peter Horwitz Vice Chairman of the Board at its first meeting in November last year.

The Chief Executive was invited to pay tribute to Mrs Helen Suzman at the opening of an exhibition on her life in Johannesburg on 5th March 2006. Mrs Suzman began her political career conducting research for the Institute into the pass laws in the late 1940s. After her retirement from Parliament in 1989, she was elected President of the Institute, and she remains one of its four Vice Presidents (and an Honorary Life Member).

STAFF

During the period under review, Sinah More (Receptionist/Switchboard Operator) celebrated 25 years of service, Susi Eusman (Chief Secretary) 20 years, Anthea Jeffery (Head of Special Research) 15 years, Mapule Santhu (Secretary in the Bursary Department) 15 years, and Marion Gordon (Senior Bookkeeper) 10 years.

THANKS

Thanks are due to all our members for their continuing loyalty and support. We are grateful also to the various sponsors of our bursary programme, along with those who back our annual *South Africa Survey* and our other benefactors. Our thanks are also due to all those who have given donations or made bequests to the Institute. Major donors to the *Survey* are listed in the printed work, while donors to the bursary funds are listed in the notes to the financial statements. We also appreciate the continued backing of the (German) Friedrich Naumann Foundation, the (American) International Republican Institute (IRI), and the (American) National Endowment for Democracy (NED), from which the IRI obtains part of its funding for the Institute. We are grateful in addition to the supporters of our parliamentary and provincial information services, referred to above.

Special thanks are due to Anthea Jeffery, Derek Bostock, and Peter Horwitz for all their work on the new Memorandum of Association and new SAIRR Education Trust deed.

I am grateful to the members who serve on our various governing bodies and in particular offices, including Elwyn Jenkins, our President; Charles Simkins, our Chairman; Peter Horwitz, our Vice Chairman; Derek Bostock, our Honorary Legal Adviser; and Tom Wixley, Chairman of our Remuneration Committee. I am also particularly grateful to Brian Hawksworth, our Honorary Treasurer, for his careful monitoring of our share portfolio over the years, enabling both the Institute itself and the bursary funds under our control to record impressive gains. Thanks are due also to all our staff for their dedication and professionalism, and especially to my secretary, Susi Eusman, for her loyalty and devotion to duty.

PUBLIC POLICY MATTERS

The Institute processes vast quantities of information, much of which is published in the *South Africa Survey*. We cannot possibly comment on all of it, but it is our practice to draw on the data to highlight various public policy issues pertinent to South Africa's success as a prosperous liberal democracy. A perusal of our published material — in *Fast Facts*, on our website, and in contributions to newspapers — shows the range of issues dealt with this past year. The published material was supplemented by media interviews and briefings to various individuals, institutions, and groups. Some of these were in the form of our annual audio-visual presentation, the *South African Mirror*. Our own work was in turn supplemented by briefings by selected outside experts. Public policy issues on which we focused particular attention this past year include the following:

- **HIV/AIDS and tuberculosis.** When the 2004/2005 *South Africa Survey* was published, a press release drew attention to the fact that, thanks to AIDS, the under-five mortality rate was now rising again after a long period of decline. In the October 2005 issue of *Fast Facts* we pointed out that South Africa faced one of the most serious tuberculosis (TB) epidemics in the world and that multi-drug resistant TB was on the rise, mainly because patients on TB medication discontinued their treatment prematurely. While the scourge of HIV/AIDS was well known, *Fast Facts* said few people were aware of the TB epidemic that was riding on the back of the high rate of HIV infection. Poverty was a contributing factor, as was the large proportion of the population whose immune system was compromised by HIV infection. The July 2006 issue of *Fast Facts* was devoted to HIV/AIDS. It carried a table listing official statistics on government efforts to combat HIV/AIDS, including expenditure, condom distribution, provision of anti-retrovirals, and the training of health professionals. We noted that South Africa had implemented a large-scale antiretroviral treatment plan, and that 135 000 people had enrolled for treatment in the public sector and 80 000 in the private sector. But we also pointed out that of all the countries in sub-Saharan Africa for which reliable data was available, South Africa was the only one in which the epidemic was increasing. We further noted that some 350 000 South Africans would die as a result of AIDS in 2006 and

that by 2011 more people would have died of AIDS than of all other causes combined. This issue of *Fast Facts* also contained our annual table showing high and low estimates for HIV infection rates and other HIV/AIDS indicators. Other information included the estimated impact of AIDS on population growth and on life expectancy. According to some estimates, the birth rate would shrink by a third between 1985 and 2015, while the death rate would double. Life expectancy at birth over the same period would drop from 59 to 49 years among males and from 66 to 51 among women. The number of AIDS orphans by 2010 was projected to be somewhere between 1.7 and 2 million. This issue of *Fast Facts* prompted a lengthy letter from the minister of communications, Dr Ivy Matsepe-Casaburri, to which a detailed reply was sent. Inter alia, the minister stated that only 500 000 people in South Africa had HIV. We replied that this was the number with AIDS, but that those with HIV numbered 5.5 million.

The Institute criticised what we called the health minister's 'continued mischief making' in the face of the AIDS tragedy. Dr Manto Tshabalala-Msimang had thus recently urged that patients be given 'the choice' between antiretrovirals on the one hand and nutrition and traditional medicines on the other. But she went out of her way to influence that choice, 'repeatedly trumpeting the supposed benefits of garlic' while 'trashing antiretrovirals'.

The Institute also hosted a briefing for members by Dr Nomonde Xundu, cluster manager for HIV/AIDS in the Department of Health. She said that South Africa had 'one of the best plans to tackle the HIV epidemic'. However, she also acknowledged that only a quarter of the 550 000 people needing antiretrovirals were currently receiving such treatment, while only 50% of mothers took advantage of the increasing availability of Nevirapine at state clinics to counter vertical transmission of HIV to their babies.

- **Education.** Major problems continue to plague South African education. One problem to which we drew attention was that of missing matriculants. The Institute pointed out that enrolment in the school system averages one million pupils per grade from grade 1 to grade 10 but then declines by half between grade 10 and grade 12. Of 1 096 214 pupils who made up the grade 10 class of 2003, only 508 363 wrote matric exams in 2005 after completing grade 12. So 587 851 dropped out of school. 'The whereabouts of these pupils is unclear,' we said. Some may have been absorbed into the Further Education and Training college system, which had seen its enrolment figures quadruple since 1994. Poverty and AIDS could account for some attrition but not to an extent that explained such a rapid decline in pupils between grades 10 and 12. Some schools might not possess the resources and skilled staff to teach the two highest grades, while the discouragement of large numbers of poorly prepared pupils in order to boost individual schools' pass rates was a further possibility. It was necessary to identify the causes of the drop out rate so that they might be properly addressed, we observed.

Another problem that we highlighted is the very low number of Africans obtaining good maths passes. 'Only 1% of all 341 000 African matric candi-

dates in 2003 passed maths on the higher grade with A, B, C, or D symbols. In the case of whites, 19% of the 46 000 candidates passed with these symbols. (The 2003 figures are the latest broken down by race.) Thus, seven times as many Africans as whites wrote senior certificate exams, but more than twice as many whites as Africans obtained the top four maths symbols. These trends are carried through into universities, where whites obtaining engineering qualifications outnumber Africans by nearly three to one. The figures suggest that our education system is still failing African pupils and students to an alarming, even horrifying, extent.'

- **Poverty.** Both the *2004/2005 Survey* and the September 2005 issue of *Fast Facts* devoted considerable space to poverty. Among other things, the tables and graphics showed that poverty on the World Bank's dollar-a-day measure had risen from 1.9 million people in 1996 to 4.5 million in 2002 but had then dropped to 4.3 million in 2004. Other tables, using different yardsticks of poverty, bore out these trends: rises until 2002 and then a drop by 2004. Yet other tables, using still other yardsticks, showed decreases in the poverty rate between 1997 and 2002 if the value of social grants and services provided by the state is taken into account.

Coverage of this data in the media caused the president's office to challenge us in an article published in mid-April in *The Star* as well as the *Cape Times* and the *Pretoria News*. In this article, Dr Vusi Gumede, chief director of policy co-ordination and advisory services in the Presidency, said we were 'wrong in some respects'. The main thrust of Dr Gumede's argument was that 'recent academic studies show that there has been a marked reduction in poverty since about 2000'. He relied here mainly on the 'social wage', including education, health, housing, and free basic services provided by the state. Our response to Dr Gumede was given the same space in all three newspapers. Among other things, we raised the question of the desirability of having so many people dependent on the social wage.

President Thabo Mbeki was asked in Parliament about our statements on poverty. Referring to the article by Dr Gumede but not to our response, he said we were 'quite wrong'. He also said there was 'no logical reason' why people were poorer now than in 1994. A brief report about Mr Mbeki's statement appeared in *Business Report*. We replied that the 'logical reason' for the rise in poverty was the fact that unemployment was now 115% higher than it was in 1994 (though not as high as it was in 2003, when unemployment appears to have peaked).

South Africa has no official definition of poverty. Mr Lesetja Kganyago, director-general of the National Treasury (and an Institute bursary alumnus), said in November last year that an official poverty measure would soon be constructed to help policy-makers determine whether poverty alleviation measures were working. Given the government's promise to halve poverty and unemployment by 2014, the measurement of poverty is likely to become increasingly controversial as the deadline approaches. Whatever measure is officially chosen is likely to be contested. The Institute will continue its policy of publishing as full a range of figures as it has space for. Despite all the different poverty lines currently in use, there seems to be a large measure of agreement that such reductions in poverty as the country

has witnessed are largely due to the expansion of social grants and the social wage. The Institute will thus also continue to stress the need for jobs — rather than transfers from the State — as the real answer.

In his Hoernlé lecture (see above) Dr Otto Count Lambsdorff also addressed the question of welfare as an answer to poverty. He noted that the South African finance minister, Mr Trevor Manuel, was among those who had questioned the desirability of having so many people dependent on welfare. Germany's welfare system was increasingly unaffordable, Dr Lambsdorff said, but South Africa could avoid falling into the same trap, since its welfare system was less entrenched than that of Germany.

- **Jobs and joblessness.** Commenting on Mr Manuel's budget in February 2006, the Institute said, 'Continuing high levels of joblessness protrude unpleasantly beside the many favourable indicators Mr Manuel mentioned in his speech. Even though, as he pointed out, the economy is now generating 350 000 net new jobs a year, unemployment remains extremely high. On the strict (or official) definition it stands at 27% (or 4 487 000 people) and on the expanded definition at 39% (or 7 799 000 people). The difference — 3 312 000 — comprises people who want jobs but have given up trying to find them. Our current unemployment rates compare unfavourably with those of the United States of America in early 1933, when unemployment reached its peak during the Great Depression after the Wall Street crash of 1929. There were no official figures at the time, but estimates cited by Conrad Black in his biography of Franklin D Roosevelt put the rate at between 24% and 36%. Unlike South Africa today, where the stock market and consumer spending are booming, the peak levels of unemployment in the US were accompanied by a 90% drop in the Dow Jones industrial average from its high in September 1929, 5 000 bank failures in three years, and numerous other calamities. Among the developed countries, only Germany matched the decline in American industrial production.'

Referring to government promises to halve unemployment by 2014, we asked, 'How does this promise translate into actual numbers of jobs?' Depending on whether the target was to halve the rate or the number of unemployed, and also on whether the strict or expanded definition was used, the economy would have to generate between 350 000 jobs a year — the current rate — and perhaps double that number.

- **Labour market policy.** The Institute again took issue with the power accorded bargaining councils under the Labour Relations Act of 1995 to extend wage agreements made between trade unions and big business to small firms unable to afford these labour costs. Although the labour minister, Mr Membathisi Mdladlana, had said the government could not 'remain deaf to the cries for help' from small businesses in this position, he had nevertheless widened the power of the bargaining council in the clothing industry to dictate wages across the sector. Yet the industry had already lost some 20 000 jobs to Chinese competition, while the council was busy prosecuting some 900 small employers for various forms of non-compliance. The Institute noted that the Constitution guaranteed the right to fair labour practices but also the right freely to choose one's trade, occupation, or profession. These rights, we said, could not be fulfilled when

bargaining councils were able to dictate terms to people who had never accepted their authority. 'These restrictions on freedom to work do not belong in a free society. In a country with unemployment levels as high as ours, they are indefensible... A way needs to be found to protect the rights of workers without undermining the rights of unemployed people to become workers in the first place if they are willing to work and somebody is willing to employ them.'

A letter in *Business Day* from Mr Jonathan Bowden, chairman of a Kwa-Zulu-Natal manufacturers' association, applauded the Institute's article as 'an excellent and measured synopsis of the stifling bargaining council regime'. Wrote Mr Bowden: 'Talk of exemptions [from bargaining council agreements] is cheap until one studies the onerous reality behind applying for [them]. Company books and detailed business plans have to be laid bare before a panel of 'experts' who, in reality, have an interest in maintaining the status quo.' An analysis of the time and money spent on prosecuting small firms for non-compliance would also reveal 'a terrifying octopus of red tape and squandered funds', he stated.

Prompted by a newspaper editorial asserting that critics of labour laws had yet to specify what reforms might be required, the Institute pointed out that various specific proposals had indeed been made. In particular, critics (including some senior people in the African National Congress) had urged that bargaining councils be barred from extending wage agreements to small firms unable to afford the pay scales acceptable to larger corporations. We also applauded the fact that the finance minister, Mr Trevor Manuel, and the governor of the South African Reserve Bank, Mr Tito Mboweni, recognised the need for labour law reform, but we pointed out that this appeared to have fallen off the government's agenda. A revolt within the ANC had seen the matter referred for further research.

- **Skills shortages.** Under its Accelerated and Shared Growth Initiative for South Africa (Asgi-SA), the government plans to push the economic growth rate up to 6% a year and thereby halve poverty and unemployment by 2014. However, the skills shortage (as the deputy president, Ms Phumzile Mlambo-Ngcuka, recently acknowledged) is 'a potentially fatal constraint' to achieving these goals. The government has therefore adopted a Joint Initiative on Priority Skills Acquisition to entice people out of retirement and import scarce skills from abroad. The Institute asked whether whites would also be welcome to apply for government jobs, since advertisements for government posts still made it clear that racial preferences would govern employee selection in the interests of 'enhancing diversity' or 'promoting representivity'. If the government were genuinely committed to halving poverty and joblessness by 2014, it needed to use all the skills it could find, 'even those acquired by whites at a time when opportunities were denied to blacks'. This pill might be 'a bitter one to swallow', the Institute noted.

Our statement provoked a debate in the press. One person accused us of wanting to 'maintain white supremacy'. We responded that the Institute had devoted its entire existence to exposing apartheid and had no wish to preserve it. It had also long contributed to black empowerment — the very antithesis of white supremacy — through its bursary programme. We re-

iterated, however, that the country remained critically short of skills among people of all races and thus 'needs to use available skills, irrespective of colour'.

Numerous violent demonstrations against local authorities in the past year or two have compelled the government to start examining why so many municipalities are failing to provide services. Skills shortages were a key factor, we noted, so much so that President Mbeki had recently spoken of importing skills to help remedy the deficit at local level. Skills shortages also made it difficult for the government to implement its undertaking to spend more than R370 billion over the next few years on public infrastructure such as ports, roads, railways, and power stations. We also noted that scarce skills were being squandered on enforcing racial and labour laws. 'It is difficult to believe that among all the people being deployed on racial and labour law enforcement there are none who could fill vacancies in education or among municipal managers,' the Institute noted.

- **Black economic empowerment.** Black economic empowerment (BEE) has become more and more controversial over the past few years. It has attracted particularly vehement criticism from the Congress of South African Trade Unions (Cosatu) and the South African Communist Party (SACP). The Institute noted that for the country to elevate economic growth to 6%, we needed to raise investment from its current level of 17% of gross domestic product (GDP) to 25%. But domestic saving was only 13% of GDP, so we needed to attract savings from abroad to make up the shortfall. Plenty of foreign short-term capital had been coming into the country but foreign direct investment (FDI) was still far below the levels required.

Among the many reasons South Africa failed to attract FDI, the Institute suggested, was the government's demand that foreign firms hand over sizeable portions of their equity to local shareholders in the name of BEE. 'In seeking to make BEE a condition of FDI in South Africa, we run the risk not only of deterring first-time investors but also of making this country less attractive to those already here,' the Institute warned. Given our urgent need for FDI and our poor record in attracting it, this made little sense. At the time of writing this *Annual Report*, it was not clear to what extent the government was willing to meet some of the concerns of foreign companies in South Africa. In *South African Mirror* the Institute showed slides to the effect that the value of BEE deals had far outstripped that of FDI inflows in every year bar one of the last decade.

As BEE transactions become more complicated, it is also becoming increasingly difficult to assess how 'empowered' a given company has become. Measurement and verification of BEE status is likely to be mandated, with the result that at least 125 entities are seeking accreditation by the state to carry out the necessary ratings. As the Institute noted, these ratings agencies will have to embark 'not only on assessments of human pigmentation but also on endeavours to detect the colour of money and assign a racial identity to shares'. The Institute also pointed out that empowerment could be discrediting capitalism rather than building support for it, as was the claimed intention. This was largely because the poor derived no benefit from the billions being spent on BEE deals. Instead, they continued to confront the

daily grind of AIDS, unemployment, violent crime, a faltering schooling system, and poor public hospitals.

- **Income trends by race.** The *Survey* and *Fast Facts* devoted considerable attention to the changing distribution of income between the different races. Our calculations were based on data supplied by, and used with the permission of, the Bureau of Market Research at the University of South Africa and a company called Global Insight Southern Africa. Our calculations revealed some significant trends, of which some are highlighted below.

Personal disposable income (PDI) over the long term (1960–2007):

- The African share of total PDI will have risen from 23.2% to 46.5%, the coloured share from 5.4% to 8.3%, and the Indian share from 2.0% to 4.8%, while the white share will have dropped from 69.4% to 40.4%.
- (Over the period 1960 to 2006 the African share of the total population rose from 68.3% to 79.5%. The shares of total population accounted for by the other three race groups dropped from 9.4% to 8.9% in the case of coloured people, from 3.0% to 2.5% in the case of Indians, and from 17.3% to 9.2% in the case of whites.)
- Annual real PDI per head of Africans will have grown by 235%, that of coloured people by 198%, that of Indians by 425%, and that of whites by 77%.

The income gap (1960–2007):

- African PDI per head will have risen from R2 832 in 1960 to R9 495 in 2007 (ie by the 235% referred to above), and white PDI per head from R33 228 to R58 926 (by 77%). Despite the much larger percentage increase in African PDI per head, the rand gap between white and African PDI per head will have risen from R30 396 to R49 431. But if white income is expressed as a ratio of African income, the gap will have narrowed from 12 to 1 in 1960 to 6 to 1 in 2007.

Household income (1996–2005):

- The annual income (in current prices) of African households increased by 71%, that of coloured households by 99%, that of Indian households by 100%, and that of white households by 67%. Average Indian household income overtook that of whites in 1999.

Household income by income category and race (1998–2004):

- In 1998 African households accounted for 71.5% of all households but earned only 13% of the income in the highest income category (above R153 600 a year). In 2004 they accounted for 74.0% of all households and earned 35.7% of the top income. Over the same period, the proportion of the total number of households accounted for by whites dropped from 17.7% to 15.5% and the white share of top income from 76.7% to 52.0%.
- Translating these proportions into numbers, the number of African households in the top income bracket increased from 94 000 to 444 000. The number of white households in that bracket grew from 553 000 to 643 000. Though still outnumbered by whites, Africans are catching up.

- Looking at the poorest households (below R9 600 a year), the African share decreased from 91% to 87% and the African number from 3 705 000 million to 3 124 000. The white share increased from 3.4% to 5.1% and the white number from 140 000 to 183 000.
- **The black middle class.** The growth of the black middle class has attracted enormous attention over the past year. We pointed out that its size was largely a question of definitions and that these varied enormously. We highlighted various sets of figures to show the difference. The Bureau of Economic Research at the University of Stellenbosch uses a 'broad inclusive approach' based essentially on 'middle-income' households (above R4 075 a month). This yields an African middle class of some 4.46 million individuals. According to another definition, published by the Unilever Institute and a company called Research Surveys, there were some 2 million people in the black middle class. These 2 million 'black diamonds' — as they were called — included not only established older people but also single professionals, young families, and people still living at home. A study by Professor Lawrence Schlemmer for the Centre for Development and Enterprise on the other hand delineated a middle class on the basis of lifestyle measures and a household income in excess of R12 000 a month. This delineation excluded the lower middle class to yield a 'core middle class' of some 185 000 African adults. These were people in top occupations who were able to accumulate assets and invest in their children's education. This class had grown very rapidly but still constituted only 11% of the total core middle class in the country. Only 1% of Africans would be regarded as middle class on this definition. The wider definitions are concerned mainly with spending power, we pointed out, whereas Professor Schlemmer was also concerned with such factors as the relationship between the middle class and the State and its political implications.
- **Living conditions.** Statistics collated by the Institute on poverty, employment, skills, and living conditions within the country's 47 district municipalities show depressing levels of deprivation among millions of people. Close on 30 of these district municipalities have poverty levels above 50% , while a few have poverty levels as high as 80%. In recent years, thousands of people have been protesting, sometimes violently, over local government's failure to provide them with clean water, sanitation, electricity, health care, and housing. The Institute noted that although many voters were now disappointed with local government for its delivery failures, it was also clear that there had been some notable successes. Compared to ten years ago, four million more households had electricity, and 1.7 million more had better sanitation, while the number living in formal structures had risen by 40%. However, the demand for services had risen exponentially, while those who had not yet benefited were probably all the more aggrieved at having been left out.

The Institute pointed out that measuring the fulfilment of the ANC's 1994 election promise of a 'better life for all' was not straightforward. Comparing official statistics for 1995 and 2005, we showed that the number of households using electricity for heating had risen from 5 million to nearly 6.4 million, or by nearly 1.4 million. But despite this increase *in numbers*,

the *proportion* of all households using electricity for heating had dropped from 57% to 50%. This was because the number of households in the country had grown faster than electricity provision — from 8.8 million to nearly 12.8 million, or by almost 4 million. Achieving a 'better life for all' was therefore aiming at a moving target, we pointed out. If electrification was one example, housing was another. As a result of both population growth and declining average household size, household formation had been growing by an average of some 400 000 units a year between 1995 and 2005. The supply of formal housing — brick and mortar structures — had grown by 246 000 a year. Rapid though this pace was, it was not fast enough to keep up with the nominal demand of 400 000 units a year, with the result that 'informal housing' — shacks and shanties — had grown by 140 000 a year on average.

Referring to government promises of a 'society free of shacks' by 2014, the Institute said they could not possibly be fulfilled. Shacks and shanties represented housing provided by poor people for themselves, and the government should not seek to eliminate them. The illustration on the cover of this *Annual Report* is designed to highlight the fact that the number of 'informal' houses has grown in the past decade from 628 000 to more than 2 million, or by 223%. The Institute believes that the shantytowns in which so many South Africans live will be with us for years to come and that they should be upgraded, not eliminated.

- **Land reform.** The Institute noted that the government had been criticised for upholding property rights in general and for not expropriating large quantities of white farm land and giving it to Africans. We commented: 'Though everyone benefits from the protection of private property, some people see it as merely freezing the results of great injustice.' Hence, the pressure for expropriation to speed up land reform was growing and it seemed that President Mbeki might succumb to this, making concessions to the Left in order to hold the political Centre. But, the Institute warned, the real problem was that successful land reform was far more challenging than either the government or its critics on the Left had begun to allow. 'Farming in South Africa has become tougher with the liberalisation of food product markets... To settle poor people on farms without capital or training is to set them up for failure.' Many successful farms had collapsed following redistribution and yet the necessary support from government departments to beneficiaries was still lacking. Expropriation per se would do nothing to generate prosperity for resettled black families. 'On the contrary, if expropriation merely speeds up land transfers, it will create more failure and more frustration. So private property rights will have been attenuated for no purpose beyond the risky one of concession to populist pressure in the hope of buying it off,' the Institute cautioned. Proper assistance for aspirant farmers and other beneficiaries of land reform was critically important.
- **Official statistics.** A vital component of an open society is the free flow of information, including information from government. One enormous problem that South Africa faces is that HIV and AIDS are not notifiable diseases. The impact on mortality rates, life expectancy, the birth rate, and on popula-

tion growth cannot therefore be measured as accurately as is necessary. Statistics on crime, however, are collected but not made readily available. The Institute took issue with the government for its continuing refusal to release statistics previously published every quarter by the South African Police Service. They now come out only once a year, and generally late. We pointed out that since a moratorium on the publication of quarterly figures had been imposed in July 2000, various differing and contradictory reasons had been given. The Institute commented that the real reason for the refusal to allow the police to publish their quarterly figures was 'a desire to hide the truth'. The government has also stopped publishing other figures which caused discomfort. Up to 2003, it was evident that the 'brain drain' of skilled people out of the country was accelerating, but since then emigration statistics have no longer been compiled. The Department of Housing is also less than frank with its regular figures on housing built with government subsidies. Previously it published a separate figure for housing actually built and houses still under construction, but now the two are lumped together. Between April 1994 and March 2006, the department claims, 1.97 million houses have been built or started with the government subsidy. Based on the earlier split between houses built and those being built, the number actually built is probably closer to one than to two million.

The Institute also took issue with Statistics South Africa (Stats SA) for saying it might stop publishing unemployment figures on the expanded definition. This definition includes all unemployed people (7.8 million at last count), irrespective of whether they are actively seeking work. By contrast, the strict definition of unemployment counts only those unemployed people (4.5 million) who are looking for a job. Stats SA says it causes 'confusion' to have two definitions. If Stats SA stopped publishing the expanded unemployment figure, the Institute said, 3.3 million jobless people would drop further out of sight, even though (as Stats SA itself admitted) they were 'an important part of the labour market'. These 'discouraged' jobless people were not only a huge number but also one that had nearly doubled from 1.7 million in 1994. Stats SA itself, though its data had not always been accurate, had never before tried to play down unpleasant information. 'The agency owes it to itself and to the public to keep things that way,' the Institute said. Stats SA's half-yearly labour force surveys have stopped publishing the comprehensive data previously provided using the expanded definition of employment as well as the strict definition. The most recent survey contains only data based on the strict definition, now called the official definition. It does, however, include a 'brief overview' on 'discouraged workseekers' from which it is possible to calculate the expanded definition. This data shows, among other things, that half of all the 3.3 million 'discouraged' workers are below the age of 30. It also shows that lack of money for transport or the absence of jobs in the area are the reason why 71% of all discouraged workers are not seeking work or starting a business. Some 329 000 (almost 10%) say they have 'lost hope of finding work'. But the data also shows that the number of discouraged workers has dropped from nearly 4 million to 3.3 million over the year between September 2004 and September 2005.

- **Crime.** The October 2005 issue of *Fast Facts* contained our annual analysis of crime trends, this time covering the period 1994/1995 to 2004/2005. It also contained data on public spending on protection services (ie justice, prisons, and police, but not defence). In a separate commentary, we noted that the total number of serious crimes reported was higher now than in 1994/1995, but lower than in the peak year of 2002/2003. Figures for the crime rate (crimes per 100 000 of population) showed that it was now 2.2% lower than ten years ago and 11% lower than in 2002/2003. On this measure, we said, it could be stated that although crime was still at a very high level, the tide against it had turned. *South African Mirror* presentations always contain information on crime, some of it obtained from the Institute for Security Studies (and used with its permission). Some of these figures show that South African public spending on the criminal justice system as a proportion of GDP (3.1%) is much higher than the international average (1%). At the time of writing this report, the Institute had just published an article drawing attention to a number of statements since 1994 by various members of the Cabinet which suggested what we called an attitude of 'disdainful indifference' to public concerns about violent crime. The Institute also hosted a briefing at which Mr Antony Altbeker, a former research associate at the Institute for Security Studies, spoke of some of the difficulties surrounding international comparisons of crime rates. As a result, we did not know how exceptional crime rates in South Africa were, but we could be sure that our violent crime rates were very high compared with those of other countries.
- **Public violence.** In addition to monitoring 'ordinary' criminal violence, the Institute over the years has kept track of political and other types of violence. The data on political violence that we published during South Africa's political transition was widely quoted. It is gratifying that in recent years there has been little to report. The trend was broken when thousands of security guards belonging to the South African Transport and Allied Workers' Union (Satawu) went on strike for three months in the first half of the year in support of a pay demand. Mr Zwelinzima Vavi, general secretary of the Congress of South African Trade Unions (Cosatu), to which Satawu belongs, addressed a meeting of striking guards in Doornfontein (Johannesburg) on 25th May 2006. According to *The Star*, 'there were loud cheers when he said, "Mawagandwe amagundwane"'. This was translated by the newspaper as 'Let us beat up scab workers', but other interpretations are 'Let us crush the rats' — rats being people who go to work instead of joining strikes. At the time Mr Vavi spoke, 18 people had already been killed in strike-related violence, some of them non-striking security guards who had been thrown from moving trains. A week later, the death toll had risen to 20. The Institute wrote: 'On the assumption that *The Star* quoted him correctly, Mr Vavi has some explaining to do.' 'Does he condone the violence used in the strike? Does he recognise that his call at the Doornfontein meeting might be construed as incitement to commit murder?' The Institute wrote on 26th June 2006 to ask Mr Vavi whether he had been quoted correctly. At the time of writing this report, no reply had been received. It was reported in August that more than 60 people had died in the strike as a result of assault, hanging, or being thrown off trains. Twelve of the 143 people arrested in Gauteng in connection with the strike were facing murder charges.

- **Prisons.** The August 2005 issue of *Fast Facts* dealt with the prison population, which has grown steadily from 1996 to 2004 (the latest year for which statistics were available). In 1996, prisons could accommodate some 95 000 people but held 118 000. By 2004, prison capacity had risen to 115 000 but the prison population stood at nearly 188 000. Overcrowding thus rose by 213% in eight years. This was partly because bail law amendments adopted in 1995 had made it harder for many accused to obtain bail. In addition, legislation brought into operation in 1998 laid down minimum prison sentences for various violent crimes. Hence, while in 1995 only 7% of prisoners were serving sentences of five to ten years, the equivalent figure in 2004 was 25%. Similarly, in 1996, some 2 900 prisoners were serving life terms, whereas in 2004 the number was 5 500.

The data suggests that the government, in seeking to curb violent crime through minimum sentences and the denial of bail, has generated new problems — especially overcrowding (which the Institute warned against at the time). Overcrowding is so severe that rehabilitation has been made far more difficult. *Fast Facts* also noted a steady rise in deaths among prisoners. In 1995, 186 prisoners died from natural causes but in 2004 the equivalent number was 1 683, an increase of 805%. According to the Judicial Inspectorate of Prisons, increasing deaths can fairly be attributed to HIV/AIDS. The Institute said: 'Despite this — and notwithstanding the prevalence of rape in prisons — the state still fails to separate HIV positive prisoners from those not infected with the disease. Yet the separation of women from men and of youthful offenders from adult prisoners is routine practice, along with the separation of those awaiting trial from those already convicted. All prisoners should have the right to demand that they be tested for HIV/AIDS — and those who test negative should have the right to be separated from others.' The Institute pointed out that although South Africa had abolished the death sentence, the high prevalence of both AIDS and rape in prison meant prison sentences could amount to death sentences.

- **The independence of the judiciary.** Last year's report referred to the fact that the Institute had published a detailed analysis of five draft bills, one of them a constitutional amendment, threatening the independence of the judiciary. In so doing they would also undermine one of the pillars of the constitution, the separation of powers as between the legislative, executive, and judicial branches of government. We published articles in both *Fast Facts* (June 2005) and *Business Day* (two columns), one of them rebutting arguments put forward by the driving force behind the bills, the deputy minister of justice and constitutional development, Mr Johnny de Lange. Although we believed there was a reasonable chance the draft legislation would be watered down, we continued to publish analytical material about it in the year under review. All the arguments in defence of the draft legislation were carefully dissected and rebutted. One *Fast Facts* article was a detailed account of the arguments advanced at a seminar held in February 2006 by the Human Rights Committee of the General Council of the South African Bar. (We were particularly gratified that this seminar was held, and that the Institute was invited to attend, since our inquiries to the Johannesburg bar council in May 2005 had yielded the response

that it would not be taking up this draft legislation.) President Mbeki reacted to some of the public criticisms of the draft legislation by stating that the Cabinet had never approved anything that would undermine judicial independence, but we pointed to various earlier press reports (never denied) that the proposed constitutional amendment had been approved by the Cabinet. We also invited a member of the bench of the Supreme Court of Appeal, Mr Justice R W Nugent, to address Institute members on the topic 'The judiciary, the courts, and the Constitution: Why so much controversy?' Judge Nugent's address was published in the June 2006 issue of *Fast Facts*. At the time of writing this report, the draft legislation had been stopped. Mr Mbeki said it would not be reintroduced without the support of the judiciary, which is unlikely to be forthcoming without fundamental amendments to key provisions of the bills.

Members of the Institute can, I think, be proud of the organisation's intervention on this legislation. We took it up in public when the media was less alert than it should have been and we did so when most other public policy institutions had little to say. One judge remarked to us how legal academia had been silent on the bills, along with newspaper columnists who were usually voluble on other matters. Our efforts were warmly, but privately, commended by a number of different judges. One said the Institute had played a 'significant' role in causing the government not to proceed with the legislation.

- **Race.** In addition to making the comments on various racial policies referred to above, the Institute entered the debate on the 'Native Club' formed in the first half of the year. We noted that although liberals might find its proposed racial exclusiveness anathema, 'liberalism implies tolerating it'. We also observed that although some of the leading lights in the club said they wanted 'black thought' — whatever that may mean — to dominate, what they in fact were advocating was that 'pro-government black thought' should dominate. We also stated that the club was wrong in suggesting that ideological divisions in South Africa were determined by race. Some of the most vociferous critics of the government's empowerment policies were thus black, while some of their strongest supporters were to be found in the white business community. The same was true of the government's supposedly 'neo-liberal' economic policies. At the time of writing this *Annual Report*, little was still heard in public from or about the 'Native Club'. But the government's macro-economic policies were coming under increasingly vehement attack from within Cosatu and the SACP.
- **Scenario 2006 to 2008.** The August 2005 issue of *Fast Facts* contained the Institute's annual political scenario. In July 2006 an updated scenario was prepared for a member company (but not published). In this we predicted that although President Mbeki was unpopular within the ANC, and had faced revolt over his dismissal of Mr Jacob Zuma from the presidency of the country, he would be re-elected as ANC president at the end of 2007. Referring to anger in Cosatu and the SACP about the centralisation of policy-making in the Presidency, we noted that their reasoning was that this reduced the influence of the Left. But, we added, 'the ANC's sup-

posedly “neo-liberal” macro-economic policies are not simply the result of what an allegedly dictatorial Presidency decides. They have legitimacy in the party itself, which recognised the need to accommodate itself to the capitalist system even before it took power in 1994.’

That said, the centre of gravity of policy had shifted Leftwards. Not only had privatisation been abandoned, but redistribution had displaced employment growth as the most important weapon in the government’s anti-poverty armoury. At the time of the adoption of the Growth, Employment, and Redistribution (Gear) programme ten years before, the government had argued that faster economic growth was the key remedy for poverty, inequality, and unemployment. Now, the Presidency pointed to the major increases in social grants as the main reason why, on some measures, poverty had declined. ‘Almost a quarter (some 11 million people) of the total population are now in receipt of social grants, while many others also benefit from the social wage, which comprises health care, education, housing, water, electricity, and other services provided by the state and funded by taxpayers. Social spending also helps to reduce high levels of inequality.’

The ANC was becoming more and more like a European socialist or social democratic party in that very large numbers of voters (or their children) were in one or another way on its payroll, beneficiaries of its patronage, or recipients of grants. ‘The poor benefit from social grants and they (and some of the not-so-poor) also benefit from the social wage. Civil servants at local level will soon join those at provincial and national level who are on the government’s payroll, along with employees in the wider public sector. Small entrepreneurs benefit from procurement requirements. Trade union members benefit from protectionist labour legislation. The black middle class and lower middle class benefit from affirmative action policies, tax cuts, and low interest rates, and the black upper class benefits from empowerment requirements. Political jobs at all three levels of government are in the gift of the ruling party. Promises of halving poverty and unemployment, speeding up land redistribution, and eliminating squatter housing help to secure the loyalty of the poor to the ANC.’

The ANC had become a party for all classes. This helped to explain why its support at the polls had increased at the local elections earlier this year despite all the dissatisfaction about corruption and failures in provision of municipal services. It also helped to explain why Cosatu and the SACP were unlikely to carry out their latest breakaway threats: they could not be sure how much support they would wrest from the ANC. More and more Cosatu supporters were also public sector employees. About a quarter of the Cabinet and of ANC MPs were members of the SACP. Few of them were likely to keep these jobs if their party went into opposition to the ANC and exploited, as the SACP was suggesting, ‘the revolutionary potential of the marginalised people in the second economy.’ ‘So the tripartite alliance will hold together as its privileged but unhappy junior partners try to persuade themselves that they are better able to influence the ANC from within. Should they ever take the step of opposing the ANC at election time, that party will receive massive funding from the private sector to counteract them.’

'What could upset the apple cart?' Referring to the possibility that various economic factors could cause rising expectations to 'hit the ceiling,' we said this was unlikely to be 'seriously destabilising within the next three years.' However, 'in the longer term, factors such as corruption, crime, skills shortages, renewed inflation, the subordination of investment and growth to racial policy, the inability of the government to fulfill its promises to the poor, poor education, low levels of entrepreneurship, unsustainable social security costs, failed land reform, declining food production, and AIDS could all help to undermine the economy and therefore the ruling party and its commitment to democracy and non-racialism.'

Conclusion

The preceding pages of this report show that the Institute in the past few years has devoted the bulk of its research, publishing, and public policy work to socio-economic issues. In earlier years we commented in detail on some of the post-1994 legislation with a racial component, while in 2001 we commissioned a field survey on racial attitudes (whose encouraging results have subsequently been confirmed in surveys carried out by other organisations). But it is now some years since the Institute conducted research focused on racial issues. The organisation was of course founded to work for goodwill and practical co-operation between the various races. Since racial policy was so pervasive, we naturally found ourselves delving into its impact on every aspect of the society. The wide focus of the *Survey* dates back to its earliest issues. This focus has continued up to the present, partly because so much of the socio-economic deprivation present among black people today has its origins in earlier racial policies. Wherever possible, *Survey* data is broken down by race to enable readers to monitor material change — such as in the patterns of income distribution referred to above. In the year ahead we plan to supplement this gathering of factual data with research focusing explicitly on race relations from various points of view, including an analysis of opinions, policies, and laws. Inter alia, we will monitor the implementation of employment equity, empowerment, and equality legislation.



Johannesburg
22nd August 2006

HONORARY TREASURER'S REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2006

The surplus for the year amounted to R2 204 703, compared to a deficit of R469 568 for the 2005 year.

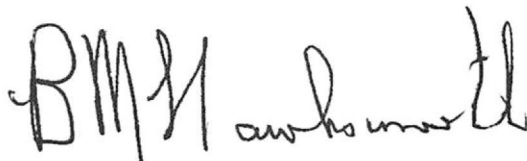
Operating income was R6 596 115 compared with the previous year's figure of R6 281 375. The significant variances in income were an increase in grants and donations of R500 711 and a decrease in membership fees and subscriptions of R137 382. There was a significant increase in the unrealised surplus of investments revaluation of R1 986 717, compared to a surplus of R923 431 in the previous year. Dividend income increased by R99 274 but interest received reduced by R144 486. There was a profit on sale of shares of R355 775 and a surplus on the sale of the property located at 5 Long Street, Mowbray, Cape Town, of R266 462.

Expenditure was well contained and reduced by 9.5% from R8 073 870 to R7 305 569. This was largely attributable to a reduction in personnel costs of R102 687 and a reduction in general overheads and administration of R549 283.

The Institute's financial position at the year end was sound. At that date it had total assets of R36 837 385 under its control, compared to R34 898 013 at March 2005. It is anticipated that the market value of the listed investments will continue to increase moderately in the 2006/2007 year.

The Institute has a contingent liability for expenses incurred on behalf of USAID which USAID may seek to recover. It is not possible to determine the amount of this contingency at present.

There is a budget deficit of R1 065 087 for the year to March 2007 before any possible increase in the unrealised surplus on investments revaluation. The cash flow will be monitored closely and all attempts will be made to reduce this budget deficit.



Brian M Hawksworth
Honorary Treasurer
Chairman of the Finance Committee

SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN
REGISTERED UNDER SECTION 21
OF THE COMPANIES ACT)
AND ITS SUBSIDIARY COMPANY

ANNUAL FINANCIAL STATEMENTS

for the year ended 31st March 2006

COMPANY REGISTRATION NUMBER: 1937/010068/08
NON-PROFIT REGISTRATION NUMBER: 000-709-NPO
PUBLIC BENEFIT ORGANISATION NUMBER: 930006115

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The annual financial statements set out on pages 33 to 53 have been approved by the Board of Directors and are signed on its behalf by:



DIRECTOR



DIRECTOR

28th June 2006

REPORT OF THE INDEPENDENT AUDITORS

To the Members of the
South African Institute of Race Relations
(Incorporated Association Not For Gain
registered under Section 21 of the Companies Act)

We have audited the annual financial statements and group annual financial statements of the South African Institute of Race Relations set out on pages 33 to 53 for the year ended 31st March 2006. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Institute and the Group at 31st March 2006, and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.



PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors
Johannesburg

28th June 2006

CORPORATE GOVERNANCE

The South African Institute of Race Relations remains committed to the principles of openness, integrity, and accountability as advocated in the King Report of 1994 on corporate governance and the subsequent King II Report as they apply to the Institute. The directors consider the Institute to be a going concern.

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

During the year under review, in order to comply with the King II report and simplify governance structures, the Institute amended its Articles of Association to abolish its Executive Committee and reconstitute and enlarge its Board of Directors. Powers previously exercised by the Executive Committee or conferred upon it by the outgoing Board are now exercised by the new Board. These changes took effect on 10th October 2005 when the new Board was elected in terms of the amendments to the Articles, which were registered by the Registrar of Companies on 8th August 2005. The Board meets quarterly. The roles of Chairman and Chief Executive do not vest in the same person. Directors are appointed for a specific term of office and re-appointment is not automatic. Membership of the Board is set out on page 37 of the *Annual Financial Statements*.

AUDIT COMMITTEE

An Audit Committee has been in existence since 1998. The Committee is responsible for ensuring that management creates and maintains an environment of effective corporate control, for reviewing the accounting policies, and for the optimal functioning of the financial and operational control systems. The Committee, consisting of five non-executive members, meets at least twice annually.

REMUNERATION COMMITTEE

A Remuneration Committee was established on 15th November 2002. The Committee is responsible for determining the remuneration packages of executive management. The Committee consists of no fewer than three members appointed by the Board, all of them non-executive.

COMPANY SECRETARY

All directors have unlimited access to the advice and services of the company secretary, who is responsible to the Board for ensuring that the Board procedures are followed.

FINANCIAL CONTROL

The Institute maintains accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with general business practices. These controls include proper delegation of responsibilities, effective accounting procedures, and adequate segregation of duties, and are monitored regularly throughout the Institute. Employees are required to act with integrity in all transactions.

CODE OF ETHICS

The South African Institute of Race Relations conducts activities in accordance with the principles of excellence, integrity, human dignity, and fairness.

REPORT OF THE DIRECTORS

The directors have approved the attached annual financial statements and submit their report for the year ended 31st March 2006.

REVIEW OF THE INSTITUTE'S BUSINESS AND OPERATIONS

The main activity of the Institute is that of a Research, Policy Analysis, Publishing, and Educational Welfare Organisation. The financial statements adequately disclose the results of the operations of the Institute and the state of its affairs.

DIRECTORS AND SECRETARY

The following acted as directors:

E R Jenkins	–	President
H B Giliomee	–	Vice President
L Schlemmer	–	Vice President
M M A Shezi	–	Vice President
H Suzman D B E	–	Vice President
C E W Simkins	–	Chairman of the Board of Directors
P J Horwitz	–	Vice Chairman of the Board of Directors
B M Hawksworth	–	Honorary Treasurer
D Bostock	–	Honorary Legal Adviser
T Coggin	–	Elected on 10th October 2005
R D Crawford	–	Elected on 10th October 2005
J A Hudson	–	Elected on 10th October 2005
J D Jansen	–	Elected on 10th October 2005
N C Mathiane	–	Elected on 10th October 2005
C J McCaul	–	Elected on 9th November 2005
I Mkhabela	–	Elected on 9th November 2005
M S Mosikili	–	Elected on 25th January 2006
D K Rose	–	Elected on 10th October 2005
P S Seepe	–	Elected on 10th October 2005
T J Sono	–	Elected on 10th October 2005
J W Wentzel	–	Elected on 10th October 2005
T A Wixley	–	Elected on 10th October 2005
J S Kane-Berman	–	Chief Executive*
D H Venter	–	Bursary Director* (resigned 12th August 2005)

* Executive director

The secretary of the company is K Schultz, whose addresses are:

Business address	Postal address
68 De Korte Street Braamfontein 2001 Johannesburg	P O Box 31044 Braamfontein 2017 South Africa

SUBSIDIARY COMPANY

The name of the subsidiary is:	2006	2005
De Korte Street Properties (Pty) Ltd		
Details are as follows:		
Issued share capital	R6	R6
Company's holding	100%	100%
Book value of company's holding	R6	R6
Book value owing to holding company	R920 963	R911 119

BALANCE SHEET
as at 31st March 2006

	Notes	GROUP		COMPANY	
		2006 R	2005 R	2006 R	2005 R
ASSETS					
Non current assets					
Property, plant and equipment	2	1 530 642	1 647 090	620 642	722 090
Investment in subsidiary	3			898 212	898 212
		1 530 642	1 647 090	1 518 854	1 620 302
Investments					
Special funds					
– Bursary	14	24 327 125	22 321 609	24 327 125	22 321 609
– Institute	14	1 143 464	1 172 588	1 143 464	1 172 588
– Other	14	1 950 807	4 083 974	1 950 807	4 083 974
		27 421 396	27 578 171	27 421 396	27 578 171
Other Institute Investments	14	6 515 989	5 037 070	6 515 989	5 037 070
		33 937 385	32 615 241	33 937 385	32 615 241
Current assets					
Inventory	4		22 161		22 161
Current account with subsidiary				22 757	12 913
Accounts receivable	5	1 177 915	613 521	1 176 964	612 570
Cash resources		191 443		191 443	
		1 369 358	635 682	1 391 164	647 644
TOTAL ASSETS		36 837 385	34 898 013	36 847 403	34 883 187
FUNDS AND LIABILITIES					
Funds and reserves					
Accumulated funds		8 597 838	6 393 135	8 623 206	6 387 846
		8 597 838	6 393 135	8 623 206	6 387 846
Special funds					
– Bursary	6/7	24 327 125	22 321 609	24 327 125	22 321 609
– Institute	6/7	1 143 464	1 172 588	1 143 464	1 172 588
– Other	6/7	1 950 807	4 083 974	1 950 807	4 083 974
	6/7	27 421 396	27 578 171	27 421 396	27 578 171
Current liabilities					
Accounts payable	8	815 538	891 543	802 801	882 006
Taxation	12	2 613			
Bank overdraft			35 164		35 164
		818 151	926 707	802 801	917 170
TOTAL FUNDS AND LIABILITIES		36 837 385	34 898 013	36 847 403	34 883 187

INCOME STATEMENT
for the year ended 31st March 2006

	Notes	GROUP		COMPANY	
		2006 R	2005 R	2006 R	2005 R
INCOME					
Administration fees received		1 599 339	1 575 812	1 659 339	1 695 812
Bequests		8 500		8 500	
Grants and donations		2 750 613	2 249 902	2 750 613	2 249 902
Membership fees and subscriptions		2 190 744	2 328 126	2 190 744	2 328 126
Publication sales		37 683	72 719	37 683	72 719
Rental received		9 236	54 816	9 236	54 816
		6 596 115	6 281 375	6 656 115	6 401 375
EXPENSES					
Auditors' remuneration – Fees for the audit	9	119 196	95 460	114 996	90 900
Depreciation	2	173 396	159 923	158 396	144 923
Lease expenditure		126 732	155 412	126 732	155 412
Overheads and administration		547 357	1 096 640	411 631	1 043 997
Personnel		5 478 151	5 580 838	5 367 708	5 535 893
Postage		140 043	123 911	140 043	123 911
Printing		221 636	273 810	221 636	273 810
Rent and utilities		86 828	170 045	405 323	389 780
Telecommunications		309 473	339 177	309 473	339 177
Travel		102 757	78 654	102 757	78 654
		7 305 569	8 073 870	7 358 695	8 176 457
OPERATING DEFICIT FOR THE YEAR		(709 454)	(1 792 495)	(702 580)	(1 775 082)
INCOME FROM INVESTMENTS					
Dividends		241 679	142 405	241 679	142 405
Interest received		87 307	231 793	87 307	231 793
Profit on sale of shares		355 775	25 298	355 775	25 298
Surplus on sale of property		266 462		266 462	
Unrealised surplus on investment revaluation		1 986 717	923 431	1 986 717	923 431
		2 937 940	1 322 927	2 937 940	1 322 927
SURPLUS/(DEFICIT) BEFORE TAXATION		2 228 486	(469 568)	2 235 360	(452 155)
SA NORMAL TAXATION	12	23 783			
SURPLUS/(DEFICIT) FOR THE YEAR		2 204 703	(469 568)	2 235 360	(452 155)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March 2006

<i>GROUP</i>	<i>Non distributable reserve R</i>	<i>Accumulated funds R</i>	<i>Research reserve R</i>	<i>Total R</i>
Balance at 1st April 2004	1 233 300	3 629 403	2 000 000	6 862 703
Movement for the year		(469 568)		(469 568)
Balance at 31st March 2005	1 233 300	3 159 835	2 000 000	6 393 135
Balance at 1 April 2005	1 233 300	3 159 835	2 000 000	6 393 135
Transfer to accumulated funds	(1 233 300)	3 233 300	(2 000 000)	
Surplus for the year		2 204 703		2 204 703
Balance at 31st March 2006		8 597 838		8 597 838
COMPANY				
Balance at 1 April 2004	1 217 125	3 622 876	2 000 000	6 840 001
Movement for the year		(452 155)		(452 155)
Balance at 31 March 2005	1 217 125	3 170 721	2 000 000	6 387 846
Balance at 1 April 2005	1 217 125	3 170 721	2 000 000	6 387 846
Transfer to accumulated funds	(1 217 125)	3 217 125	(2 000 000)	
Surplus for the year		2 235 360		2 235 360
Balance at 31st March 2006		8 623 206		8 623 206

CASH FLOW STATEMENT
for the year ended 31st March 2006

	GROUP		COMPANY	
	2006 R	2005 R	2006 R	2005 R
Cash flows from operating activities				
Operating surplus/(deficit) before tax	2 228 486	(469 568)	2 235 360	(452 155)
Adjustments:				
Depreciation	173 396	159 923	158 396	144 923
Interest received	(87 306)	(231 793)	(87 306)	(231 793)
Unrealised (surplus) on valuation of investments	(1 986 717)	(923 431)	(1 986 717)	(923 431)
Profit on disposal of shares	(355 776)		(355 776)	
Profit on disposal of property	(266 462)		(266 462)	
(Decrease)/increase in special funds	(156 775)	(851 371)	(156 775)	(851 371)
Movement in working capital				
– (increase)/decrease in accounts receivable	(564 394)	63 782	(564 394)	63 781
– (decrease)/increase in accounts payable	(76 005)	58 804	(79 205)	58 557
– decrease/(increase) in inventory	22 161	(4 756)	22 161	(4 756)
Sub total	(1 069 392)	(2 198 410)	(1 080 718)	(2 196 245)
Tax paid	(21 170)			
Interest received	87 306	231 793	87 306	231 793
Net cash (outflow)/inflow from operating activities	(1 003 256)	(1 966 617)	(993 412)	(1 964 452)
Cash flows from investing activities				
(Increase)/decrease in inter-company current account			(9 844)	(2 165)
Decrease/(increase) in investments	311 019	1 968 064	311 019	1 968 064
Proceeds on disposal of property, plant and equipment	307 361		307 361	
Proceeds on disposal of shares	709 330		709 330	
Additions to property, plant and equipment	(97 847)	(82 427)	(97 847)	(82 427)
Net cash (outflow)/inflow from investing activities	1 229 863	1 885 637	1 220 019	1 883 472
Net cash utilised for the year	226 607	(80 980)	226 607	(80 980)
Cash resources at beginning of year	(35 164)	45 816	(35 164)	45 816
Cash resources at end of year	191 443	(35 164)	191 443	(35 164)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31st March 2006

1. ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements are prepared in accordance with and comply with South African Statements of Generally Accepted Accounting Practice. The financial statements are prepared on the historical cost basis except for listed investments, which are valued at market value, and the revaluation of certain property, plant, and equipment.

Consolidation

The group results include the company results and the operating results and assets and liabilities of the wholly owned subsidiary.

Membership fees

Membership fees due and payable are brought to account on a cash received basis.

Donations and grants

Donations and grants are brought to account on a cash received basis.

Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Special Funds

Funds specially designated by donors may, at the discretion of the recipient activity, be retained and invested by the Institute pending disbursement.

Bursary Funds and Special Research Projects

The Funds and Projects administered by the Institute are disclosed in these financial statements in Note 7.

Property, plant, and equipment

Land and library books are not depreciated. Other assets are stated at cost or valuation less accumulated depreciation. Library books are stated at valuation. The archives which are housed at the University of the Witwatersrand are carried at no cost. Depreciation is calculated on a straight line basis to write off the cost of each asset over its estimated useful life as follows:

Buildings	–	50 years
Furniture and equipment	–	3–6 years
Motor vehicles	–	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (thus impairment losses are recognised).

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

NOTES (continued)
for the year ended 31st March 2006

ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments carried on the balance sheet include cash resources, accounts receivable, accounts payable and borrowings. These instruments are generally carried at their estimated fair value.

The financial assets and liabilities are measured as follows:

Financial assets: Loans originated by the enterprise are measured at amortised cost. Any changes in the carrying amount of these financial assets are taken into account in determining operating profit.

Financial liabilities: Other liabilities are measured at amortised cost. Any changes in the carrying amount of these financial liabilities are taken into account in determining operating profit.

Investments

Investments are classified as available for sale and are stated at market value. The increase or decrease in market value is capitalised for Bursary Funds, and recognised in income for Institute investments.

Inventory

Inventory is stated at the lower of printing cost or net realisable value. Cost is determined on an average cost basis. Cost of research is expensed as incurred. In 2006 inventory was considered to have no realisable value and was written down to nil.

Accumulated Funds

All reserves are reflected under accumulated funds.

NOTES (continued)
for the year ended 31st March 2006

2. PROPERTY, PLANT, AND EQUIPMENT

<i>GROUP</i>	<i>Land R</i>	<i>Buildings R</i>	<i>Furniture and equipment R</i>	<i>Motor vehicles R</i>	<i>Library R</i>	<i>Total R</i>
Year ended 31st March 2006						
Opening net carrying amount	250 000	705 922	211 305	75 863	404 000	1 647 090
Additions			97 847			97 847
Disposals		(30 922)	(9 977)			(40 899)
Depreciation		(15 000)	(115 042)	(43 354)		(173 396)
Closing net carrying amount	250 000	660 000	184 133	32 509	404 000	1 530 642
At 31st March 2006						
Cost	250 000	750 000	1 051 367	247 055	404 000	2 702 422
Accumulated depreciation		(90 000)	(867 234)	(214 546)		(1 171 780)
Closing net carrying amount	250 000	660 000	184 133	32 509	404 000	1 530 642
Year ended 31st March 2005						
Opening net carrying amount	250 000	720 922	230 460	119 204	404 000	1 724 586
Additions			82 427			82 427
Depreciation		(15 000)	(101 582)	(43 341)		(159 923)
Closing net carrying amount	250 000	705 922	211 305	75 863	404 000	1 647 090
At 31st March 2005						
Cost	250 000	780 922	1 241 021	247 055	404 000	2 922 998
Accumulated depreciation		(75 000)	(1 029 716)	(171 192)		(1 275 908)
Closing net carrying amount	250 000	705 922	211 305	75 863	404 000	1 647 090
COMPANY						
	<i>Land and buildings R</i>	<i>Furniture and equipment R</i>	<i>Motor vehicles R</i>	<i>Library R</i>	<i>Total R</i>	
Year ended 31st March 2006						
Opening net carrying amount	30 922	211 305	75 863	404 000	722 090	
Additions		97 847			97 847	
Disposals	(30 922)	(9 977)			(40 899)	
Depreciation		(115 042)	(43 354)		(158 396)	
Closing net carrying amount		184 133	32 509	404 000	620 642	
At 31st March 2006						
Cost	30 922	1 051 367	247 055	404 000	1 733 344	
Disposals	(30 922)				(30 922)	
Accumulated depreciation		(867 234)	(214 546)		(1 081 780)	
Closing net carrying amount		184 133	32 509	404 000	620 642	
Year ended 31st March 2005						
Opening net carrying amount	30 922	230 460	119 204	404 000	784 586	
Additions		82 427			82 427	
Disposals						
Depreciation		(101 582)	(43 341)		(144 923)	
Closing net carrying amount	30 922	211 305	75 863	404 000	722 090	
At 31st March 2005						
Cost	30 922	1 241 021	247 055	404 000	1 922 998	
Disposals						
Accumulated depreciation		(1 029 716)	(171 192)		(1 200 908)	
Closing net carrying amount	30 922	211 305	75 863	404 000	722 090	

NOTES (continued)
for the year ended 31st March 2006

2. PROPERTY, PLANT, AND EQUIPMENT (continued)

<i>Details of land and buildings</i>	<i>2006</i>	<i>2005</i>
	<i>R</i>	<i>R</i>
Freehold property, Stand 28701 Situating at 5 Long Street, Mowbray, Cape Town Purchased January 1975 at cost (disposed of in June 2005)		27 723
Improvements during that year		3 199
		<u>30 922</u>
Freehold stand, lot 2794 Johannesburg township Situating at 68 De Korte Street, Braamfontein Purchased 1954 at cost	20 500	20 500
Building erected 1956	65 198	65 198
Revaluation	667 981	667 981
	<u>753 679</u>	<u>753 679</u>
Freehold stand, lot 5088 Johannesburg township Situating at 70 De Korte Street, Braamfontein Purchased 1989 at cost	375 000	375 000
Improvements and alterations – 1990	440 410	440 410
Improvements and alterations – 1991	47 528	47 528
Improvements and alterations – 1997	35 189	35 189
Revaluation	(651 806)	(651 806)
	<u>246 321</u>	<u>246 321</u>
	<u>1 000 000</u>	<u>1 030 922</u>

————— **COMPANY** —————

**3. INVESTMENT IN WHOLLY OWNED
SUBSIDIARY COMPANY**

	<i>2006</i>	<i>2005</i>
	<i>R</i>	<i>R</i>
Shares at cost	6	6
Loan to subsidiary	898 206	898 206
	<u>898 212</u>	<u>898 212</u>

4. INVENTORY

Inventory comprises –		
Finished goods, books, and publications at realisable value		22 161
		<u>22 161</u>

————— **GROUP** —————

————— **COMPANY** —————

5. ACCOUNTS RECEIVABLE

	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>
Trade and other debtors	1 142 275	584 639	1 141 324	583 688
Staff debtors	35 640	28 882	35 640	28 882
	<u>1 177 915</u>	<u>613 521</u>	<u>1 176 964</u>	<u>612 570</u>

NOTES (continued)
for the year ended 31st March 2006

6. SPECIAL FUNDS

	<i>Bursary funds R</i>	<i>Institute funds R</i>	<i>Other funds R</i>	<i>Total 2006 R</i>	<i>Total 2005 R</i>
INCOME					
Donations and grants	5 369 099	808 359	655 066	6 832 524	6 476 675
Interest	125 702			125 702	505 205
Dividends	686 897			686 897	445 670
	6 181 698	808 359	655 066	7 645 123	7 427 550
EXPENSES					
Administration fees and running costs	1 661 110	835 750	2 788 233	5 285 093	2 266 753
Audit fees	134 104			134 104	30 000
Bursaries and grants	9 986 454			9 986 454	7 506 195
	11 781 668	835 750	2 788 233	15 405 651	9 802 948
(DEFICIT) FOR THE YEAR	(5 599 970)	(27 391)	(2 133 167)	(7 760 528)	(2 375 398)
Unrealised surplus/(deficit) on revaluation of investments	7 605 486	(1 733)		7 603 753	1 162 460
Profit on sale of shares					361 567
Accumulated funds at beginning of the year net of deficit balances	22 321 609	1 172 588	4 083 974	27 578 171	28 429 542
NET ACCUMULATED FUNDS	24 327 125	1 143 464	1 950 807	27 421 396	27 578 171

A list of the balances of the Special Funds administered by the Institute appears in Note 7 and the related investments are set out in Notes 14 to 17.

NOTES (continued)
for the year ended 31st March 2005

7. SPECIAL FUNDS

7.1 Bursary Funds

	<i>Capital</i> R	<i>Amounts held for bursary awards</i> R	<i>Total 2006</i> R	<i>Total 2005</i> R
3M Bursary Fund (staff)		(30 212)	(30 212)	
Amcham Fund		1 100 628	1 100 628	1 319 305
ASA Educational Fund		117 326	117 326	
Bertha McKay Fund		33 355	33 355	99 593
Clayton Bursary Fund		(344)	(344)	535 799
Clive Beck Education Trust		304 823	304 823	
Dorothy Glauber Fund	55 000	(27 742)	27 258	58 311
Durban Thekwini Bursary Fund		284 094	284 094	
Edinburgh Bursary Fund		40 995	40 995	
Energos Fund		791 790	791 790	1 527 275
Esrael Lazarus Education Fund	136 201	139 562	275 753	179 989
Ernest Oppenheimer Memorial Trust		164 068	164 068	
Eva Dickhuth-Baumann Education Fund		4 565	4 565	26 750
First Rand Foundation Educational Fund		176 994	176 994	
Foschini Bursary Fund		(282 072)	(282 072)	6 733
Gert and Irmgard Brusseau Trust	446 733	396 300	843 033	676 693
Giannopoulos Bequest	397 584	192 313	589 897	509 099
GMKS Empowerment Fund		(208 934)	(208 934)	
Harvard/SA Fellowship Programme		(294)	(294)	56 417
Horace Coker Fund	1 124 130	634 402	1 758 532	
Hungjao Bequest	1 217 921	67 609	1 285 530	1 546 870
Isaacson Foundation Bursary Fund	2 765 005	1 700 000	4 465 005	4 755 942
Kilchberg Bursary Fund		12 271	12 271	
Luthuli Memorial Foundation Fund	107 883	(12 954)	94 929	99 771
Margaret Ballinger Fund		16 086	16 086	1 086
MTN Fund		87 597	87 597	87 597
Nampak Fund		276 270	276 270	683 938
Pick 'n Pay Bursary Fund		109 346	109 346	
RCS Bursary Scheme		178	178	
Robert Shapiro Trust	4 370 488	3 798 221	8 168 709	5 273 607
SAIRR Education Trust				
(3M Bursary Fund (non staff))		(28 444)	(28 444)	63 867
(African Rainbow Minerals Fund)		143 372	143 372	208 725
(Alumni Bursary Fund)		65 408	65 408	68 410
(Fulton Fund)		34 994	34 994	(18 971)
(John Deere Bursary Fund)		16 244	16 244	59 290
(National Brands Fund)		(90 843)	(90 843)	104 380
(Raymond Tucker Fund)	54 125	112 192	166 317	484 477
(Reginald Smith Memorial Trust)	10 000		10 000	
(SA Eagle Bursary Fund)		119 309	119 309	209 730
(Sentrachem Bursary Fund)		111 091	111 091	243 799
SAIRR Funds				1 192 868
Senior Bursary Fund		51 194	51 194	52 224
Shirley Simons Fund	1 522 057	1 445 897	2 967 954	2 053 614
Still-Gosnell Trust Fund		221 727	221 727	
MaAfrica Tikkun Jewish Community Scholarship		67 975	67 975	20 179
Trinity College (Cambridge) Bursary Fund		(37 596)	(37 596)	
USAID SA Scholarship Programme				117 154
Victor Daitz Fund		923	923	
Yvonne Rabbow Memorial Music Award		314	314	17 088
	12 207 127	12 119 998	24 327 125	22 321 609

NOTES (continued)
for the year ended 31st March 2006

7.1 Bursary funds (continued)

Overdrawn funds have been reimbursed subsequent to year end.

	<i>Capital R</i>	<i>Amounts held for bursary awards R</i>	<i>Total 2006 R</i>	<i>Total 2005 R</i>
Total Bursary Funds:				
Totals bought forward	12 207 127	12 119 998	24 327 125	22 321 609
7.2 Special Research Projects:				
AusAID				137 193
Dick Gawith Fellowship			975 338	977 071
Irish Aid			45 062	
DANIDA			123 064	58 324
			<u>1 143 464</u>	<u>1 172 588</u>
7.3 Other Funds:				
Hecate Fund			84 816	82 624
Johnson and Johnson BTC Fund			1 865 991	4 001 350
			<u>1 950 807</u>	<u>4 083 974</u>
TOTAL SPECIAL FUNDS			<u><u>27 421 396</u></u>	<u><u>27 578 171</u></u>

	<u>GROUP</u>		<u>COMPANY</u>	
	<i>2006 R</i>	<i>2005 R</i>	<i>2006 R</i>	<i>2005 R</i>
8. ACCOUNTS PAYABLE				
Trade payables	35 383	177 399	28 710	171 619
Accruals & Audit Fee Provision	231 870	294 514	231 870	294 514
Receiver of Revenue – VAT	127 189	18 404	121 125	14 647
Provision for leave pay	407 032	394 613	407 032	394 613
Sundry payables (WCA)	14 064	6 613	14 064	6 613
	<u>815 538</u>	<u>891 543</u>	<u>802 801</u>	<u>882 006</u>

	<i>2006 R</i>	<i>2005 R</i>
9. AUDITORS' REMUNERATION (GROUP)		
Holding Company	88 200	90 900
DANIDA	26 796	
	<u>114 996</u>	<u>90 900</u>
De Korte Street Properties (Pty) Ltd	4 200	4 560
Charged to the income statement	119 196	95 460
Charged to bursary funds	134 104	30 000
	<u><u>253 300</u></u>	<u><u>125 460</u></u>

NOTES (continued)
for the year ended 31st March 2006

10. OPERATING LEASES

The Institute has certain operating leases pertaining to office equipment. In terms of the leases the Institute's commitments are as follows:

	<i>2006</i> <i>R</i>	<i>2005</i> <i>R</i>
Minimum lease payments:		
Not later than one year	126 732	126 828
Later than one year and not later than 5 years	211 220	337 952
	<u>337 952</u>	<u>464 780</u>

11. DIRECTORS' REMUNERATION

The directors' emoluments for the year under review were as follows:

Salaries	871 328	921 448
Fringe benefits	107 418	44 255
	<u>978 746</u>	<u>965 703</u>

The directors' emoluments are payable to executive directors only. Non-executive directors are not paid for their services.

12. TAXATION

The Institute is exempt from tax in terms of Section 10(1) of the Income Tax Act for the year under review.

	<u>GROUP</u>	
	<i>2006</i>	<i>2005</i>
Current year	2 613	
Prior year under accrual	21 170	
	<u>23 783</u>	

13. FINANCIAL INSTRUMENTS

Fair Values

At the year end the carrying amounts of investments, receivables, and payables were the same as their fair values. The fair value of the investments is disclosed in Note 14. Receivables and payables are disclosed in Notes 5 and 8.

Credit and Investment Risk

Investments are placed with high quality institutions and invested in blue chip equities and gilts to reduce credit and investment risk.

Interest Rate Risk

The Institute is exposed to the risk of fluctuations in market interest rates. This risk is monitored closely and cash balances are invested accordingly.

NOTES (continued)
for the year ended 31st March 2006

		<i>COMPANY AND GROUP</i>	
		<i>2006</i>	<i>2005</i>
		<i>R</i>	<i>R</i>
14.	INVESTMENTS		
14.1	Special Funds		
14.1.1	<i>Bursary Funds (Note 7.1)</i>		
	Unit Trusts		1 724 523
	Fixed deposits	117 305	108 093
	Listed investments (Note 15)	19 488 986	12 252 895
		19 606 291	14 085 511
	Funds administered by Standard Private Bank		
	Listed investments (Note 16)	919 991	740 997
	Gilts	305 732	356 972
	Cash reserves	626 717	394 288
		1 852 440	1 492 257
	Total equities and other investments	21 458 731	15 577 768
	Cash deposits	4 072 905	7 059 096
	Debtors	57 619	141 642
		25 589 255	22 778 506
	Less: Creditors	(1 262 130)	(456 897)
		24 327 125	22 321 609
14.1.2	<i>Special Research Projects (Note 7.2)</i>		
	Unit Trusts and Cash on call	1 143 464	1 172 588
14.1.3	<i>Other funds (Note 7.3)</i>	1 950 807	4 083 974
	Total Special funds	27 421 396	27 578 171
14.2	Other Investments		
	First National Bank call account	477 641	192 347
	Listed investments (Note 17)	6 038 348	4 532 574
			312 149
		6 515 989	5 037 070
	TOTAL INVESTMENTS	33 937 385	32 615 241

NOTES (continued)
for the year ended 31st March 2006

	2006 Qty	2006 R	2005 Qty	2005 R
15. LISTED INVESTMENTS OF BURSARY FUNDS				
Platinum				
Anglo American Platinum Corporation Ltd	4 206	2 352 752	4 206	982 522
Banks				
Standard Bank Group Ltd	6 748	572 230	6 748	424 449
Chemicals, Oils, and Plastics				
Sasol Ltd	2 285	532 405	2 285	350 748
Life Insurance				
Liberty Group Ltd	2 048	182 272	2 048	133 427
Old Mutual Plc	10 000	214 700	10 000	158 000
Mining Holdings and Houses				
Anglo American Plc	21 489	5 088 595	21 489	3 201 646
Billiton Plc	5 391	606 434	5 391	458 235
Property				
Liberty International Plc	4 067	508 375	4 067	456 724
Property Unit Trusts				
Allan Gray Property Trust	70 000	472 500	70 000	296 800
Ambit Properties Ltd	270 000	1 012 500	270 000	621 000
Apexhi Properties A	40 285	612 332	40 285	398 822
Apexhi Properties B	35 000	570 500	35 000	343 000
Hyprop Investments Ltd	12 448	460 576	12 448	273 856
IFour Properties Ltd	38 500	513 975	38 500	342 650
Pangbourne Properties Ltd	28 900	421 940	28 900	286 110
Redefine Income Fund Ltd	163 500	1 095 450	163 500	523 200
Sycom Property Fund	32 560	626 780	32 560	455 840
Services				
Bidvest Group Ltd	6 000	684 000	6 000	421 800
Consol Ltd	32 870	476 286	32 870	340 533
Food				
Anglovaal Industries Ltd	32 870	552 216	32 870	447 032
Tiger Brands Ltd	1 440	250 416	1 500	149 250
The Spar Group Ltd	1 500	57 375	1 500	36 000
Packaging and Printing				
Nampak Ltd	900	15 075	1 000	16 300
Diversified Industrial				
Rembrandt Group Ltd	1 000	135 000	1 000	95 000
Richemont Securities Ag	30 000	877 200	30 000	587 100
Retail				
Pick 'n Pay Stores Ltd	16 402	495 341	16 402	377 246
Beverages				
SAB Miller Plc	841	101 761	841	75 605
		<u>19 488 986</u>		<u>12 252 895</u>

NOTES (continued)
for the year ended 31st March 2006

	2006 Qty	2006 R	2005 Qty	2005 R
16. LISTED INVESTMENTS OF BURSARY FUNDS ADMINISTERED BY STANDARD PRIVATE BANK				
Mining Holdings and Houses				
Anglo American Plc	500	130 240	700	103 040
Billiton Plc	600	67 494	600	50 310
Banks				
ABSA Group Ltd	680	78 880	1 000	75 400
Standard Bank Investment Corporation Ltd	750	63 600	1 106	69 545
Construction & Materials				
Pretoria Portland Cement	100	41 900		
Property				
Liberty International Plc	1 155	144 375	1 155	130 342
Property Unit Trusts				
Sycom Property Fund	3 000	57 750	3 000	41 850
Property Loan Stock				
Hyprop Investments Ltd	2 200	81 400	2 200	48 180
Diversified Industrial				
Rembrandt Group Ltd	800	108 000	800	75 040
Food				
Tiger Brands Ltd	480	83 472	500	49 450
Pick 'n Pay Holdings Ltd	4 800	62 880	4 800	51 840
Broadcasting Contractors				
Kagiso Media Ltd			4 000	46 000
		<u>919 991</u>		<u>740 997</u>

NOTES (continued)
for the year ended 31st March 2006

	2006 Qty	2006 R	2005 Qty	2005 R
17. LISTED INVESTMENTS OF OTHER FUNDS				
Platinum				
Anglo American Platinum Corporation Ltd	250	139 845	250	58 400
Anglo American Platinum Prefs	200	42 000	200	24 300
Impala Platinum Ltd	350	407 750	400	213 960
Mining Holdings and Houses				
Anglo American Plc	4 000	947 200	5 394	803 652
Billiton Plc	3 854	433 536	3 854	327 590
Banks				
Investec Plc			274	49 868
Nedcor Ltd			600	46 800
Standard Bank Investment Corporation Ltd	1 795	152 216	1 795	112 906
Construction				
Group Five Ltd	5 200	158 080	5 200	74 620
Retail				
Massmart Holdings Ltd	4 000	233 600	4 000	173 000
Pick 'n Pay Holdings Ltd	10 000	131 000	10 000	110 000
Property				
Liberty International Plc	1 483	185 375	1 483	166 541
Property Trusts				
Ambit Properties Ltd	94 000	352 500	94 000	216 200
Apexhi Properties A	7 215	109 668	7 215	71 429
Apexhi Properties B	10 000	163 000	10 000	98 000
Hyprop Investments Ltd	3 552	131 424	3 552	78 144
IFour Properties Ltd	12 000	160 200	12 000	106 800
Pangbourne Properties Ltd	10 000	146 000	10 000	99 000
Redefine Income Fund	15 540	104 118	15 540	49 728
Sycom Property Fund Ltd	4 440	85 470	4 440	62 160
Diversified Industrial				
Barloworld Ltd	2 000	265 600	2 000	202 400
Remgro Ltd	1 800	243 000	1 800	171 000
Richemont Securities Ag	10 060	294 154	12 060	236 014
Services				
Bidvest Ltd	2 400	273 600	2 400	168 720
Chemicals, Oils, and Plastics				
Sasol Ltd	2 000	466 000	2 570	394 495
Food				
The Spar Group Ltd			830	19 920
Tiger Brands Ltd	797	138 598	830	82 585
Telecommunications				
MTN Group	4 462	274 414	4 462	200 567
Sundry				
Unit Trusts				113 775
		<u>6 038 348</u>		<u>4 532 574</u>

18. CONTINGENT LIABILITY

The Institute has a contingent liability for expenses which USAID may disallow and seek to recover. It is not possible to determine the amount of this contingency at the present moment.

PRESIDENTS OF THE INSTITUTE 1930–2005

1930–1931	Charles Loram
1931–1933	Edgar Brookes
1933–1943	Alfred Hoernlé
1943–1945	Maurice Webb
1945–1948	Edgar Brookes
1948–1950	Winifred Hoernlé
1950–1953	J D Rheinallt Jones
1953–1955	Ellen Hellmann
1955–1957	Leo Marquard
1957–1958	Johannes Reyneke
1958–1960	Donald Molteno
1960–1961	Edgar Brookes
1961–1963	Oliver Schreiner
1963–1965	Denis Hurley
1965–1967	E G Malherbe
1967–1968	Leo Marquard
1968–1969	I D MacCrone
1969–1971	Sheila van der Horst
1971–1972	William Nkomo and Duchesne Grice
1972–1973	Duchesne Grice
1973–1975	Bernard Friedman
1975–1977	Ezekiel Mahabane
1977–1979	John Dugard
1979–1980	René de Villiers
1980–1983	Franz Auerbach
1983–1985	Lawrence Schlemmer
1985–1987	Stuart Saunders
1987–1989	Stanley Mogoba
1989–1992	Helen Suzman
1992–1994	W D (Bill) Wilson
1994–1996	Hermann Giliomee
1996–2003	Themba Sono
2003–	Elwyn Jenkins

PAST HOERNLÉ LECTURES 1945–2005

No	Year	Lecturer	Title
1st	1945	Jan Hendrik Hofmeyr	Christian principles and race problems
2nd	1946	E G Malherbe	Race attitudes and education
3rd	1947	I D MacCrone	Group conflicts and race prejudice
4th	1948	Winifred Hoernlé	Penal reform and race relations
5th	1949	W M Macmillan	Africa beyond the Union
6th	1950	Edgar Brookes	We come of age
7th	1951	H J van Eck	Some aspects of the South African industrial revolution
8th	1952	Herbert Frankel	Some reflections on civilisation in Africa
9th	1953	Radcliffe Brown	Outlook for Africa
10th	1954	Emory Ross	Colour and Christian community
11th	1955	T B Davie	Education and race relations in South Africa
12th	1956	Gordon Allport	Prejudice in modern perspective
13th	1957	B B Keet	The ethics of apartheid
14th	1958	David Thomson	The government of divided communities
15th	1959	Simon Biesheuvel	Race, culture and personality
16th	1960	C W de Kiewiet	Can Africa come of age?
17th	1961	D V Cowen	Liberty, equality, fraternity – today
18th	1964	Denis Hurley	Apartheid: A crisis of the Christian conscience
19th	1966	Gwendolen Carter	Separate development: The challenge of the Transkei
20th	1966	Keith Hancock	Are there South Africans?
21st	1968	Meyer Fortes	The plural society in Africa
22nd	1970	Hobart Houghton	Enlightened self-interest and the liberal spirit
23rd	1971	A S Mathews	Freedom and state security in the South African plural society
24th	1972	Philip Mayer	Urban Africans and the bantustans
25th	1973	Alan Pifer	The higher education of blacks in the United States
26th	1974	Mangosuthu Buthelezi	White and black nationalism, ethnicity and the future of the homelands
27th	1975	Monica Wilson	'...So truth be in the field...'
28th	1976	M W Murphree	Education, development and change in Africa
29th	1977	G R Bozzoli	Education is the key to change in South Africa
30th	1978	Hugh Ashton	Moral persuasion
31st	1979	Alan Paton	Towards racial justice: Will there be a change of heart?
32nd	1980	Leon Sullivan	The role of multinational corporations in South Africa
33rd	1985	Alan Paton	Federation or desolation?
34th	1986	Charles Simkins	Liberalism and the problem of power
35th	1990	M M Corbett	Guaranteeing fundamental freedoms in a new South Africa
36th	1993	Richard Goldstone	Do judges speak out?
37th	1996	Lionel Abrahams	The democratic chorus and individual choice
38th	2000	Michael O'Dowd	Ideas have consequences
39th	2002	Carl Gershman	Aiding democracy around the world: the challenges after September 11
40th	2004	Jonathan Jansen	When does a university cease to exist?
41st	2006	Otto Count Lambsdorff	The welfare state: poverty alleviation or poverty creation?

GUEST SPEAKERS 1984–2006

Elwyn Jenkins, Bobby Godsell, Nthato Motlana, Musa Myeni, Miley Richards, Raymond Louw, Kitt Katzen, Harold Pakendorf, Percy Qoboza, Zwelakhe Sisulu, Allister Sparks, George Palmer, Hennie Reynders, Dennis Beckett, Vincent Maphai, Ken Owen, Ernie Wentzel, Jonathan Suzman, Reina Steenwijk, Matsemela Manaka, Siphso Sepamla, John Van Zyl, Michael Venables, Mark Orkin, Heribert Adam, Lawrence Schlemmer, Nic Olivier, Robin Lee, P J van der Merwe, Eddie Webster, Ann Bernstein, Rod Ironside, Moses Maubane, W S Yeowart, Brian Kantor, John R Kinard, Richard A Salem, Phiroshaw Camay, Aubrey Dickman, Anna Starcke, Tertius Myburgh, Sally Gallagher, Cyril Ramaphosa, Alan Paton, Tom Lodge, Cedric de Beer, A J Kgomo, R A M Saloojee, Maurice McGregor, Jan Lombard, Ben Vosloo, Nigel Mandy, John Garnett, Zach de Beer, Sal Marzullo, Tony Gilson, W J Breytenbach, Deane Yates, Andrew Levy, Stuart Saunders, Thabiso Leshoai, Oswald Mtshali, Gibson Kente, Bafana Nkambule, Saths Cooper, Anthony Robinson, Graham Leach, Charles Simkins, David Curry, Olaus van Zyl, S T Ramala, Manie Venter, Ricky Valente, I L Krige, John Ernstzen, K S Warren, Andries Niemand, David Solomon, G P Croeser, Mark Swilling, C W A Keegan, Steven Friedman, David Dewar, Clive Weil, Mervyn King, Michael O'Dowd, Thomas H Irwin, L W H Ackerman, Musa Zondi, Andrew Boraine, Marthinus van Schalkwyk, James Ngcoya, Stoffel van der Merwe, Chris Heymans, André du Toit, Frank Mdlalose, Tom Boya, John Gogotya, Sam Mabe, Philip Nel, Adrian Guelke, Michael Spicer, Bantu Holomisa, Lawrence Mavundla, Carel Boshoff, Stanley Mogoba, Monty Narsoo, James Moulder, Merton Dagut, Sam Mosikili, Stephen Gelb, M M Corbett, Vladimir Tikhomirov, Pavel Sedov, John Kane-Berman, Nico Czypionka, Rudolf Gouws, Monica Bot, Neil McGurk, David Adler, Ophelia Jatta, Marcel Golding, Halton Cheadle, Joshua Gqozo, Bob Tucker, Helen Suzman, Moses Mayekiso, Rob le Grange, Jacob Zuma, Frank Mdlalose, Apollon Davidson, Aziz Pahad, Jeremy Cronin, Don Beck, Jocelyne Kane-Berman, John Samuel, Andrew Donaldson, Bryan Phillips, Ben Nicholson, Pundy Pillay, Jane Hofmeyr, Harold Wolpe, Ben Turok, Wim Booysse, Corné Moulder, Stephen Mulholland, L Paty, Z Deyl, Ephriam Keikelame, Albie Sachs, Tony Leon, Nicoli Natrass, Richard Goldstone, Rudolf Gruber, Otto Lambsdorff, Colleen McCaul, Rachel Tingle, Leon Louw, Tony Hawkins, Duncan Reekie, Ina Perlman, Gertrude Shope, Stephen Riley, Dan O'Flaherty, Hermann Giliomee, David Welsh, Bob Charlton, Harry Schwarz, Martin Williams, Peter Zimmerman, Ingo von Münch, David Green, Malcolm Lennox, George Trail, Deval Patrick, Lionel Abrahams, W J Le Crerar, L S Molo, Anthea Jeffery, Peter Leon, Charles Van Onselen, Lot Ndlovu, Ewald Wessels, Charles Carter, Mathatha Tsedu, Rachel Jafta, Tom Callahan, Kelvin Kemm, Colin Douglas, Patti Waldmeir, Martin Schönsteich, Ashwin Trikamjee, Esther Steyn, Mark Jennings, Judy Wade, Saguna Gordhan, Walter Felgate, Graham McIntosh, Rudolph Jansen, Themba Sono, Ben Ngubane, Colin Bundy, William Makgoba, Willem Heath, Mohlolo Kgopane, F W de Klerk, Smuts Ngonyama, Max Price, Ketso Gordhan, R W Johnson, Frans Rautenbach, Willie Hofmeyr, Mirryena Deeb, Patricia de Lille, Clem Sunter, Jeremy Gauntlett, Edwin Cameron, Rick Menell, Rand Stoneburner, Jenny Cargill, Gavin Woods, Saki Macozoma, Carl Gershman, Derek Hanekom, Daniel Low-Beer, Phumzile Mlambo-Ngcuka, Gabriel Davel, Michael Folan, Howard Preece, Petra Kruger, Ed Rybicki, Cameron Hume, Andrew Kenny, Kgosi Letlape, Maureen Kirkman, Robin Friedland, Brian Molefe, Dave Balt, Pius Ncube, Menzi Simelane, Tony Twine, Detmar Doering, Jonathan Jansen, Tom Kitt, Gerrit Olivier, Vuyo Jack, Cees Bruggemans, Jean Redpath, Nomonde Xundu, R W Nugent, Michael MacDonald, Antony Albekker.

Leadership with Facts



South African Institute of Race Relations

