

## **T T Mboweni: Education transforms lives – it changed mine**

Speech by Mr T T Mboweni, Governor of the South African Reserve Bank, at the Friends of St Mark's fundraising dinner, Rand Club Johannesburg, Johannesburg, 28 July 2006.

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Honoured guests, ladies and gentlemen

I am honoured to be present here this evening and to be a part of this special annual dinner which has been turned into a very worthwhile cause. The Old Diocesan Union defines its objects as bringing together past students of the Diocesan College and the Diocesan Preparatory and Pre-Preparatory Schools, to keep them in touch with Bishops and the present students, to promote the interests and welfare of Bishops and to administer a fund to provide financial assistance for descendants of present and past members of the Union to be educated at Bishops. The formation of the Friends of St Mark's and its activities over the years is glowing evidence, if any was required, that the role of Bishops has been redefined to shed its elitist image of the past.

Situated in the midst of grinding poverty, in an area with unemployment rates at 80 per cent, the modest fees at the College are still beyond the reach of many locals. Fundraisers provide scholarships to disadvantaged pupils and help improve facilities at the school. Also, St Mark's boasts a laudable community outreach programme that, among others, includes a Saturday school for children from disadvantaged state schools, a maths and science teachers' support programme, availing the school's science laboratories for use by other schools in the neighbourhood, and adult literacy classes.

The Archbishop Emeritus Desmond Tutu describes St Mark's College as being like water in a desert – transforming rural hopelessness into an oasis where young people can bloom. “Without St Mark's College the chances of even literacy for children in this area are slim. These children could become just another statistic in the cycle of poverty. Education is the key to unlocking their potential – and what potential!” the Archbishop Emeritus, the patron of St Mark's, exclaims.

In the same vein, a Chinese proverb says: “If you are planning for a year, sow rice; if you are planning for a decade, plant trees; if you are planning for a lifetime, educate people.” This is echoed in the motto of St Mark's: “Thuto ke lesedi”, which, broadly translated, means: “Education is light”. To which I may add that education changes lives – it definitely changed mine!

The Strength of St Mark's is the alumni association of St Mark's College in Jane Furse. Addressing their 20th anniversary fundraising dinner in December 2005, I was impressed by the effort and remarked that it was indeed rare for former pupils of a black school to honour their school and commit themselves to raising funds for the institution. While education remains primarily a responsibility of government, private financial commitment is indispensable. Strong alumni associations in the US, for example, contribute substantial sums of money to their institutions. In South Africa, especially among blacks, there seems to be little interest among alumni to look back and support their old institutions.

I do, however, acknowledge the nascent pockets of alumni associations of former black schools that are emerging in some parts of the country. This is a culture that we should endeavour to nurture. The relationship with a school does not and should not end with matriculation. We must seek to inculcate in learners that when they proceed to higher education, join the world of work or business, they remain representatives of their former schools in the community, country and the world at large.

It is therefore heartening to be part of this fundraising drive, particularly because the Friends of St Mark's have opened their hearts and wallets to deepen and widen an existing initiative by former pupils of St Mark's who have taken it upon themselves never to allow their Alma Mater to die. These are alumni who are proud of, and seek to build an everlasting relationship with their Alma Mater – a relationship to be treasured, nurtured and cultivated. These are men and women who value so much what they got out of St Mark's that they have developed a sense of community around the ownership of the St Mark's brand. They have decided that the St Mark's brand will be preserved and enhanced for current and future generations.

The importance of building strong alumni associations cannot be overemphasised. The continued involvement and support of alumni have proved to be the hallmarks of long-term success and sustainability of schools and colleges in many parts of the world. As pressure on education budgets mounts the world over, fundraising events like these are no longer intended to raise supplemental

income to fund “extras”, but have become essential components of schools’ budgets. Fundraisers are the financial lifeline for St Mark’s College – a matter of life and death.

While alumni associations may be instrumental in generating financial resources for institutions, fundraising is not their *raison d’être*. We can also think of “fun” raising, i.e. entertaining and exciting ways of building alumni relationships. Various projects, too numerous to mention, can be undertaken. Also, benefits of staying connected to one’s Alma Mater, other alumni and peers are immeasurable. Networking is developed through strong alumni associations. This includes circulating information on internship, employment and other opportunities available in the various areas of enterprise alumni are engaged in. To my mind the benefits seem to outweigh the costs.

Your effort as we gather here tonight dovetails with one of the government’s key programmes. As you may be aware, the government has set itself the goals of halving poverty and unemployment by 2014. To meet these challenges, the government seeks an annual average growth rate of 4,5 per cent or higher between 2005 and 2009, and an average growth rate of at least 6 per cent between 2010 and 2014. There are strong indications that the South African economy has reached a higher growth path. The growth rate averaged 3 per cent per annum between 1994 and 2003 as compared to 1 per cent during the decade preceding the country’s advent to democracy. However, growth rates in 2004 and 2005 have averaged 4,5 per cent and 4,9 per cent respectively. While growth is expected to decelerate somewhat this year, it is still expected to exceed 4 per cent. There is thus little doubt that the sustained application of prudent macroeconomic policies is bearing fruits.

Monetary policy has played its part by contributing to a low inflationary environment - inflation has been within the target range of 3-6 per cent for CPIX for the past 34 months - which in turn has been supportive of economic growth. The maintenance of price stability, however, is not without its challenges. The globalisation of the South African economy is well documented. There is no escaping the impact of global influences on the SA economy. The recent volatility in our financial markets following the increased risk aversion of global investors towards emerging countries is an example in this regard. In addition, the recent successive monthly increases in the price of petrol as a result of the sustained increase in international oil prices bear further testimony to the sensitivity of the South African economy to global developments. As is the case internationally, the high oil price, if sustained, poses a significant threat to inflation and economic growth in South Africa. There are domestically generated risks to the inflation outlook as well. In particular, the current high levels of consumption expenditure, balance of payments imbalances and higher than expected producer prices pose an even greater threat to the low inflationary environment we have been enjoying in South Africa. These developments demand vigilance on the part of the Bank if the hard-fought economic gains are to be sustained.

The Bank’s continued contribution to the growth process, therefore, is to maintain a low inflation environment and contribute towards a sound financial system. Although some maintain that the recent interest rate increase will undermine growth, we are of the considered view essential for the maintenance of the stable framework for growth. But low inflation or macroeconomic stability on its own does not guarantee higher growth. The government’s Accelerated Shared Growth Initiative of South Africa (ASGISA) plans to achieve and sustain a higher growth rate through an ambitious investment programme which focuses on improving and expanding the infrastructure of the economy. The government has highlighted the shortage of skilled labour as one of the binding constraints to achieving the desired levels of economic growth. Both government and the private sector have an important role to play in meeting the skills shortage of the economy. Though it may seem modest, this fundraising dinner furthers empowerment through granting learning opportunities to the disadvantaged, thus adding to the skills base and increasing economic opportunity and upliftment in areas around St Mark’s. Initiatives such as this one, if sustained and replicated across the country, will make a meaningful contribution to the ultimate objective of a better life for all.

Ladies and gentlemen, the time, effort and money donated towards making this evening such a resounding success, is an eloquent expression of passion for extending educational benefits to the least well-off and most vulnerable. No cause can be worthier. I thank you all for listening to your hearts and opening your purses to make a difference.

Thank you.