

**SPEECH BY FORMER PRESIDENT F W DE KLERK TO THE CHALLENGES TO LEADERSHIP AND GOVERNANCE: CREATING VALUE DURING TURBULENT TIMES CONFERENCE; NEW YORK
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THE EMERGING WORLD

I have been asked to talk about the broad geostrategic trends and other global factors that might create the framework within which President Obama and his successors, and other leaders elsewhere, will all have to operate in the coming decades.

Predicting the future is a difficult business at the best of times. The world in which we live today is dominated by factors that no-one imagined a mere twenty-five years ago:

If anyone in 1985 had predicted that within seven years the Soviet Union would have collapsed; Eastern Europe would be liberated and Germany would be reunited - all the greatest pundits of the era would have called that person mad. And all this happened virtually without the firing of a single shot.

Similarly, few people would have foreseen in 1985 that the spiralling conflict and racial impasse in South Africa would be resolved peacefully - that within ten years my country would become a non-racial constitutional democracy. And yet it happened.

Nobody foretold the coming of the PC revolution: Bill Gates, one of the fathers of the PC, is memorably supposed to have said in 1981 that he imagined it would take ten years to move from 64 kilobytes to an unbelievable 640 kilobytes. In 2007 Hitachi introduced the first one terabyte hard disc drive - that is, more than a million times the capacity that Bill Gates had in mind. Now more than 70% of North Americans and more than half the population of Europe spend a considerable part of their day looking into PC screens.

In the same way no-one dreamt initially of the enormous potential of cell phones. Now there are more than a billion in the world. They have led to an unprecedented explosion in interpersonal communication. They are fast becoming the primary means of accessing the internet. More SMSs are sent every day than there are people in the world. The average cell phone has a 1 000 times the computing power of the single, giant computer at MIT in 1965; it is a millionth the size of that computer and costs a million times less. If we are the products of our environment, this means that a new type of human being is evolving: Welcome, *homo internetis*!

Like Topsy the internet just "grewed and grewed". In 1982 there were about 1000 internet devices: by 1992 there were more than a million; by 2008 there were more than one billion. The largest collection of hardcopy texts in the world is probably in the Library of Congress. It is calculated to contain some 20 terabytes of information and includes virtually every significant book or publication that has ever been produced. 20 terabytes, according to Cisco's estimate, is one eighth of the amount of information that is now processed by the internet every second.

Under these circumstances, prediction is virtually impossible. All that we can do is to return to the past; to identify the broader factors that have driven the history of our species; and to see whether they can provide any useful pointers for the future.

The first factor is climate change. Our species really came to the fore when it had to survive recurrent ice ages - the last of which ended a mere 12 000 years ago. 74 000 years ago, the eruption of Mount Toba in Sumatra created a 6-year winter that some experts believe might have reduced the human population to only 10 000 individuals. Today we are confronted with growing evidence of global warming, which if left unchecked, could contribute to catastrophic climate change. Regardless of whether or not mankind is primarily responsible for this phenomenon, one thing is clear: the present rate and nature of human development is unsustainable: there are simply too many of us and too few resources to go around. The environment might well prove to be the single most important determinant of our future during the coming century.

The second factor that will determine our future will be demographics. Much of human history has been driven by the movement of people. The first successful migrations from Africa about 85 000 years ago led to the population of most of the planet and, in effect, to the beginning of history. Much of mankind's history during the past 3 000 years has been driven by migrations: migrations of tribes from central Asia against the ramparts of the Roman Empire; migrations of the Huns and Mongols across the Eurasian landmass; and the huge migrations from Europe after the 16th century which dramatically changed the history and demography of much of the planet.

Now, once again, in our globalised world, people are on the move. Legal and illegal migration is changing the nature of once homogenous societies. At the same time, populations in many parts of the first world have started to shrink. People are living longer and longer with fewer and fewer productive workers to sustain them. The days of the single ethnic group nation state are gone. One of the central challenges in the emerging multicultural world will be the accommodation of diversity. Large parts of the US South-West will soon have Spanish-speaking majorities. How will the United States with its traditionally uni-lingual consensus deal with this challenge?

Already, nearly all the conflicts in the world are within countries between ethnic, cultural and religious communities. There are now very few wars between countries. Perhaps, the greatest single threat to our security comes from unresolved clash between liberal western materialism and fundamental Islam. It lies at the root of the threat posed by Al Qaeda and is at the heart of the allied fear that - if left unchecked - the Taliban will recapture Afghanistan and pose a threat to Western security. The correct management of religious and cultural diversity will be one of the key challenges during the coming decades.

This also has far-reaching implications for the security challenges that the West will have to face during coming decades. It will still be necessary for the United States and Europe to maintain strong military forces and to be able to project them to any part of the world when crises arise. However, the West's experience in Iraq and Afghanistan accentuates the difficulty of prolonged involvement in ground conflicts in countries where core national interests are not involved.

After the United States and its allies extricate themselves from Iraq and Afghanistan they would be wise to consider other strategies to combat terrorism and to deal with the volatile states in the region. Such strategies might include

- the gradual lessening of dependence on oil from the Middle East;
- an intensified search for lasting peace between Israel and Palestine; and
- serious repercussions for any state that provides help to terrorists.

Yet another factor that has traditionally driven human history is technology - which, as I have already pointed out, is now developing at an unprecedented rate. The continuing expansion of the internet; nano-technology and our ability to decode the human genome - will have fundamental implications for the future of our species. What will happen to society, politics and the economy if emerging technologies succeed in increasing life expectation by another ten or twenty years?

This geometric expansion of human knowledge and technology leaves us increasingly with one disturbing conclusion: virtually anything is possible.

A fourth historic determinant has been the competition between different systems of organising human society. Much of history is driven by the rise and fall of empires, by the emergence and decline of global powers. If there is any point to the long and tragic story of war and conflict, it may be to identify which approach to government works best in achieving ascendancy and in promoting the interests of the ascendant power and its citizens. The question should, perhaps, not be what factors caused the decline and fall of the Roman Empire - but what systemic factors enabled it to last for a thousand years. Certainly, its system of law and military organisation played important roles.

The question should also be asked how two relatively small European powers, Britain and Netherlands, managed to conquer far wealthier and populous societies in Asia from the seventeenth century onwards. An important part of the answer may be found in the fact that by the end of the seventeenth century both countries had successfully limited the power of their governments to arbitrarily interfere with the freedom and property of the emerging middle class. This meant that merchants could mobilise resources for the pursuit of trading ventures without the fear that despotic governments would seize a disproportionate part of their profits or interfere too onerously with their activities. Chinese and Indian merchants at that time did not enjoy similar advantages.

During the last century there were further global struggles between societies with different systems - between the western democracies on the one hand and the despotic and aggressive nationalism of Nazi Germany and Imperial Japan, on the other; and subsequently between the Western democracies and communist totalitarianism. In both struggles, the free societies emerged victorious. By the 'nineties the victory of the American model was so complete that Francis Fukuyama was able to proclaim 'the end of history': after so many centuries of struggle mankind had finally found the right formula for governance: liberal democracy and free markets.

However, as we have learned since then, nothing ever ends in history.

We have moved into a new era that is still reeling from the economic crisis of 2008 - 2009 and that is characterised by increasing doubt about the 'Washington consensus' and the accepted wisdom of the 'nineties. A number of western democracies are experiencing serious problems with their social-democratic model. They are discovering that countries simply cannot keep on pumping out social benefits without producing the wealth to finance them. The result, as we see in Greece, is inevitably bankruptcy. The larger the role of government in catering to the social needs of the people, the less scope there is for the productive sectors of the economy. To what extent will the European Union with its unwieldy and bureaucratic mechanisms be able to become a credible player on the world stage?

The key question during the coming decade may well be whether the US and European models will be able to hold their own against the increasing global economic challenge of China and India? This will not be a violent competition between armies and air forces: it will be an equally and deadly competition in world markets for customers and resources.

After three decades of stagnation in the dead-end street of Maoist communism, the Chinese leadership finally noticed that their countrymen in Hong Kong and Taiwan were out-performing most of the rest of the world in achieving spectacular economic growth. They must have seen that Hong Kong had one of the freest economies in the world with minimal state interference and maximum decision-making in the hands of producers and consumers. They must also have noted that although it was economically free, Hong Kong was not politically free. It was still a British Colony. So maybe it would be possible for the Chinese Communist Party to stay in control while liberalising the economy at the same time? The rest is history.

Similarly, after four decades of independence, India finally managed to break free from the straight-jacket of Congress socialism. It is also reaping the benefits in dazzling economic growth. In the 18th century China and India accounted for more than 40% of global GDP. They are rapidly resuming their pre-eminence after a long period of decline.

Inevitably, there will be a military dimension to the challenge. If the United States wishes to protect its Pacific flank, it will have to retain a strong position in the East Asian periphery - in Japan, Korea, the Philippines and South East Asia. It will have to do so in the face of growing assertiveness of China whose economic prosperity will inevitably be translated into a much more formidable military capability.

All this is presenting the United States and Europe with a seminal challenge: will its social and economic model be able to compete with the challenge from India and China? If not - what will the consequences be? If the West decides to take on the challenge what will it have to do to ensure the success of its system? It is unlikely that there will be any painless solution.

The question is: will western democracies be able to take the pain of competing with the new Asian giants?

To sum up:

I believe that the developments during the coming decades will take place within the framework of the struggle for environmental sustainability. Any serious or prolonged environmental crisis would dramatically change our future.

Secondly, many of the security issues that we will confront during the next twenty to thirty years will centre on the management of diversity in our rapidly globalising world.

- Central to this will be the need to develop some kind of *modus vivendi* between people from different cultures or faiths - and in particular between Moslems, Jews and Christians.
- The struggle against terrorism will continue.
- At the same time, advanced countries will be increasingly challenged by the implications of their greying populations and by legal and illegal immigration from third world countries.

Thirdly, the world in fifteen years will be dominated by new technologies - the impact of which will change our lives as radically as the internet has during the past ten years. These technologies have the capacity to accelerate fundamental changes that have been taking place in society - regarding, how we work, how we are entertained, how we live - and for how long we will live.

Fourthly, we will see whether the American and European political and economic models will be able to compete successfully against the growing economic and strategic challenge from Asia.

There is no end to history.

As my compatriots in the ANC of South Africa like to put it - the struggle continues - and always will.