



FREE MARKET FOUNDATION



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About the FMF

The Free Market Foundation (FMF) is an independent, non-profit, public benefit organisation, created in 1975 by pro-free-market business and civil society national bodies to work for a non-racial, free and prosperous South Africa. As a policy organisation it promotes sound economic policies and the principles of good law. As a think tank it seeks and puts forward solutions to some of the country's most pressing problems: unemployment, poverty, growth, education, health care, electricity supply, and more. The FMF was instrumental in the post-apartheid negotiations and directly influenced the Constitutional Commission to include the property rights clause in the Constitution: a critical cornerstone of economic freedom.

What the FMF promotes

A free market is the only way to reduce poverty, end involuntary unemployment, increase per capita incomes, improve health care and education and rapidly raise the living standards of all South Africans. Countries with institutions and policies more consistent with economic freedom have higher investment rates, more rapid economic growth, higher income levels, and more rapid reductions in poverty rates. The evidence is gathered annually from more than 140 of the top economies in the world, analysed in the Economic Freedom of the World reports and promoted by the FMF as a member of the international Economic Freedom Network.



Your donations are tax-deductible

The FMF is an independent registered Non-Profit and Public Benefit Organisation. It has Section 18A (1) (a) tax approval, which means that it is exempt from tax and donations to it are tax-deductible up to 10% of the taxable income donors. It is financed by membership subscriptions, donations and sponsorships.

Support the FMF to defend your interests

As companies and individuals that support the FMF you are, in effect, hiring us to defend your economic and civil liberties. We have had many successes in positively influencing policies, legislation and regulations that would otherwise have negative consequences for you, the businesses and individuals who represent the productive sector of our economy. Our Chairman, Herman Mashaba, has thrown his weight behind the FMF and, in particular, is the inspiration for our constitutional labour law challenge. Contrary to popular belief, the FMF operates on a lean budget, yet, with a dedicated and hard-working staff and volunteer support from members and specialists in many fields it achieves a great deal.

Basis for FMF Policy Proposals

The FMF addresses policies, laws and regulations that are inconsistent with free market principles and the rule of law. In doing so we propose positive alternatives to economically unsound policies put forward for adoption by Parliament.

Based on our experience and research, especially on poverty reduction and economic growth, the FMF advocates the following policies for South Africa:

Constitution and the rule of law – Maintain the rule of law and uphold the letter and spirit of the Constitution.

Justice – Provide truly independent, efficient and just law courts with adequate infrastructure.

Crime – Vigorously combat crime and ensure sufficient and effective policing.

High growth – Adopt proven free market economic policies to ensure high economic growth.

Size of government – Reduce the direct and indirect role of government in the economy by restoring property and resources to private ownership, reducing taxation, and eliminating suffocating regulation to allow labour-absorbing innovation and entrepreneurship to flourish.

Freedom to work – Remove anti-employment rigidities and compliance costs in the labour market and restore freedom of contract to participating parties.

Freedom of exchange – Abolish exchange and price controls to restore to citizens their right to freedom of exchange and trade.

Electricity – Create a market for electricity by removing barriers to entry and restrictions on competition in the generation, transmission and distribution of electricity.

Competition – Remove all arbitrary injunctions and criteria from competition law that have the effect of raising costs and reducing supply and access of consumers to goods and services.

Join the FMF in promoting peace and prosperity for all

To place South Africa's economy on a high-growth trajectory requires sound policies and co-operation across all sectors of the economy. The FMF's policy proposals, described here in brief, go to the core of what is required to bring about high economic growth.

The proposals are inter-locking and success in implementing one will support the implementation of others. In particular, government and all political parties must be convinced that positive and practical free market policies will increase their political popularity. At the same time, the FMF has also taken on the task of convincing all sectors of the public.

Growing an economy and building a nation needs the entire population to adopt co-operative and peaceful methods of working together towards peace and prosperity for all.



FMF Projects

Labour project - ending mass unemployment

- The FMF has instituted a constitutional labour law challenge that is aimed at halting the imposition on small firms of conditions of employment that result in business closures and loss of jobs.
- The labour laws need to change to allow the unemployed to make their own decisions about the wages and conditions of employment they find acceptable.
- Herman Mashaba is guarantor and current main funder of the Labour Law Challenge. We have received other generous funding towards the project but seek further contributions to help cover the considerable cost of the case.

Land Project - Khaya Lam property titling

- The FMF is currently working with the Ngwathe Municipal Councillors on converting all 30,000 local authority rental houses within their municipal territory (Parys, Free State) to freehold title.
- The Khaya Lam (My House) property-titling project has the ambitious but achievable objective of providing the estimated countrywide seven to ten million families living in apartheid-style council rental accommodation with freehold title to their properties.
- Ngwathe represents a pilot project for solving all problems involved in the conversion-of-land-title process and the compilation of a manual for the use of other local authorities in carrying out similar programmes.

Energy Project - Solving the energy crisis

- The FMF has established an Energy Policy Unit composed of energy experts and FMF Executive Committee members to address the current energy crisis.
- Written comments have been submitted to government on several electricity-related issues and oral evidence has been given in Parliament on three occasions and to NERSA on Eskom's MYPD3 price application.
- The FMF advocates for South Africa to establish a market for electricity as mentioned in the government's 1998 White Paper and to institute all the measures required to bring this about, including an independent grid, and private competition in the generation and supply of electricity as well as in the retail supply of electricity to consumers.

Luminary Awards and the Great Economic Debate

Luminary Awards

South Africa, having achieved a democracy in 1994, is a country rich in potential with an unlimited future. The FMF wishes to identify those unique individuals who inspire others in a particular sphere of life. These individuals are elected as FMF Luminaries to memorialise their achievements as an example to all. Luminary Awards have been presented to Dr Yuri Maltsev, Archbishop Thabo Makgoba, Dr Pauline Dixon, Dr Sam Motsuenyane and Advocate George Bizos.

The central message from the Luminaries is that peaceful co-operation under the rule of law is the best way to achieve peace and prosperity for all.

Great Economic Debate

The FMF has hosted brilliant speakers who visited South Africa to participate in the great economic debate on the benefits of economic freedom in raising living standards and improving all aspects of life. They included:

- Dr Yuri Maltsev (former economic adviser to Mikhail Gorbachev and defector to the US where he teaches economics at Carthage College)
- Dr Tom Palmer (Vice President for International Programmes of the Atlas Economic Research Foundation)
- Dr Pauline Dixon (Director of Research at the EG West Centre at Newcastle University, dedicated to improving education for low-income children)

The FMF intends regularly hosting visiting speakers of this calibre to persuade South Africa's politicians, media and the general public that freedom is the only way to achieve a better life for all.

Other issues at the top of the FMFs attention list

SMALL BUSINESS - HEALTH CARE - ECONOMIC GROWTH - PROPERTY RIGHTS - GOOD LAW - CIVIL LIBERTIES - EDUCATION - NATIONALISATION - PRIVATISATION - RED TAPE

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