



PLANNING OUR FUTURE: SA 2025



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roundtable

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Profiles



Azar Jammie

Dr Jammie matriculated at Pretoria Boys' High School after which he did a BSc Honours in Mathematical Statistics at the University of the Witwatersrand. He represented Wits and Transvaal Under 20 at rugby. During the period 1970-75 he was employed as Investment Analyst at Senbank and subsequently at Stockbrokers Martin & Co, now JP Morgan, during which time he completed a B.A. Honours in Economics, Cum Laude, part-time at Wits. In 1976, Dr Jammie completed his M.Sc in Economics at the London School of Economics, followed by his PhD at the London Business School after which he was awarded a two-year Post-Doctoral Fellowship at the Centre for Business Strategy of the School. In order to pay his way whilst working on his PhD, Dr Jammie used his knowledge of six languages to conduct numerous international business consultancy projects in Europe, North America and the Far East, covering a wide variety of industries. Dr Jammie returned to South Africa in December 1985 to take the position of Director and Chief Economist of Econometrix (Pty) Limited. He has occupied that position ever since.

Dr Jammie is also a non-executive director of Federated Employers Mutual, A M B Holdings, Netcare, GHG (in the UK) and Iron Fireman. He is a member of the Board and the Finance Committee of St Mary's School, Waverly and a member of the Council of the Independent Schools Association of South Africa (ISASA). Dr Jammie has recently been appointed to the National Advisory Council on Innovation.



Neren Rau

Neren Rau assumed the role of CEO of SACCI in June 2008. Mr Rau had worked at the Reserve Bank for seven years and headed the Financial Safety Net Division of the Financial Stability Department. In that role, he was responsible for financial sector continuity planning inclusive of identifying risks that threaten the broader financial sector, formulating contingency plans and crisis management strategies to deal with such threats and developing and enhancing financial safety net policies.

His division was also involved in monitoring the financial sector transformation process, black economic empowerment and initiatives to broaden access to finance. Both through this role as well in his previous position as a Deputy Director in the National Treasury, Mr Rau had extensive experience in researching, negotiating and advising on government policy for the financial sector. During this time, he had delivered expert lectures on access to finance and financial sector transformation, financial regulation, depositor protection, financial safety nets and contingency planning, both locally and internationally.

Prior to joining government, Mr Rau spent seven years as an academic at both Wits Technikon and Rhodes University. He lectured across the disciplines of business management but specialised in Marketing and Finance. During this time he presented a number of conference papers both locally and internationally.

Mr Rau currently also serves as an Independent Member of the Audit Committee of the Johannesburg Tourism Company and was appointed to the Consumer Affairs Committee by the Minister of Trade and Industry. The Consumer Affairs Committee initiates and directs investigations and holds hearings in respect of unfair business practices and advises the Minister on regulation in this regard.



William Gumede

Prof William Gumede is Senior Associate & Programme Director, Africa Asia Centre, School of Oriental and African Studies (SOAS), University of London; and Honorary Associate Professor, Graduate School of Public & Development Management, University of the Witwatersrand, Johannesburg. He is a contributing comment writer for *The Guardian*, London.

Previously he was Senior Associate & Oppenheimer Fellow, St. Antony's College, Oxford University. He was former Deputy Editor, *The Sowetan* newspaper, Johannesburg.

He is a contributing author, the *New History of South Africa*, Tafelberg Publishers (2007). His 2005 book, *Thabo Mbeki and the Battle for the Soul of the ANC*, Zebra Press, was a number 1 best-seller in South Africa. He is co-editor of *The Poverty of Ideas: South African Democracy and the Retreat of the Intellectuals* (Jacana Press, Oct. 2009). His forthcoming book, is *The Democracy Gap: Africa's Wasted Years*, http://www.amazon.com/Democracy-Gap-Africas-African-Arguments/dp/1848130422/ref=sr_1_3/185-0789243-5683244?ie=UTF8&s=books&qid=1225293085&sr=1-3



Aubrey Matshiqi

Aubrey Matshiqi is currently a Political Analyst at the Centre for Policy Studies.

A former government spokesperson and a member of the Strategy Unit in the Premier's Office in Gauteng, Mr Matshiqi's services as an analyst are used by local and international media, government, political parties, policy institutes, academic institutions, foreign embassies and the corporate sector. He writes regularly for different publications, a column in the *Business Day*, *The Weekender* and *Engineering News*.

Profiles



Raenette Taljaard

Raenette Taljaard holds a BA in Law, RAU (University of Johannesburg), a BA (Hons) in Political Science, cum laude, RAU (University of Johannesburg), an MA in Political Science, cum laude, RAU (University of Johannesburg) and an Msc in Public Administration and Public Policy, cum laude, London School of Economics and Political Science.

Ms Taljaard is a former director of the Helen Suzman Foundation. A former DA MP, Ms Taljaard served as Shadow Minister of Finance from 2002 and was a member of the Portfolio Committee on Finance. She also served on numerous other parliamentary committees, including the Standing Committee on Public Accounts during the arms deal investigation

Ms Taljaard lectures part-time locally and abroad on the regulation of private military and security companies.

Ms Taljaard is a Yale World Fellow, a Fellow of the Emerging Leaders Programme of the Centre for Leadership and Public Values (UCT's Graduate School of Business and Duke University), a Young Global Leader of the World Economic Forum, and an ALI Fellow of the Aspen Institute.



Francis Antonie

Francis Antonie is the Director of the Helen Suzman Foundation. He is a graduate of Wits, Leicester and Exeter Universities. He was awarded the Helen Suzman Chevening Fellowship by the UK Foreign Office in 1994. From 1996 to 2006 he was senior economist at Standard Bank; thereafter he was director of the Graduate School of Public Development and Management at Wits University. He is the founding managing director of Strauss & Co.



Introduction

Introduction

This Quarterly Roundtable Series discussion was made possible through generous funding by the Open Society Foundation For South Africa.

The Helen Suzman Foundation hosted a lively panel discussion at the Rosebank Hotel on the 14 October 2009. Former HSF Director Raenette Taljaard chaired the discussion and the panel made up of Neren Rau (CEO Sacci); Aubrey Matshiqi (independent analyst), Azar Jammine (Econometrics) and William Gumede (independent analyst) provided thought provoking and substantive comment. The discussion covered two new Green Papers: National Strategic Planning and Improving Government Performance, submitted by Trevor Manuel and Collins Chabane respectively.

The Chair offered a framework to the discussion by suggesting that the Planning Commissions of India, Brazil and Botswana all have a bearing on the national project that Minister Trevor Manuel is leading. She said however that there are institutional, constitutional and political questions that need to be urgently addressed during the policy process.

Neren Rau started off the panel discussion. He mentioned that theoretically the papers were setting South Africa on the right path but that delivery in the short-term needed to receive more notice to ensure that the Zuma

administration could be held accountable for delivery. Mr Rau echoed the Chair's opening comments (institutional concerns) by pointing out that the relationship between Minister Manuel's office and his Cabinet colleagues is unclear. He was also concerned that although the unions had been mentioned in the Paper, the role of business was not satisfactorily acknowledged. Rau closed on a philosophical note saying that civil society should take on an increased role and government a decreased role in a democracy. He noted that these sentiments were not reflected in the paper on National Strategic Planning.

Aubrey Matshiqi felt that the papers were on the right track, but to affect accountability, the definition of the relationship between the President and Cabinet needed to be addressed. The personalisation of the National Strategic Planning paper around Trevor Manuel he felt was striking. Matshiqi spoke of the global economic crisis that he said is forcing an ideological shift from the 'Anglo-Saxon' capitalist model (that emphasises the preeminent role of markets) to a developmental model that brings the role of the state strongly to the fore. Reflecting on the Green Paper for Improving Government Performance, Matshiqi said that the current proposal – that the President will enter into performance agreements with ministers – has a major bearing on the electoral system. If the people directly elected the president he said,

Introduction



these performance agreements that are being proposed would have much more muscle as it would be the people who would vote the President out of power if ministers did not deliver. Matshiqi concluded by saying that despite the promises outlined in both Green Papers, he does not expect fundamental change over the next five years. This was because it would be impossible for the Zuma administration to fulfill its election promises as it would initially need to spend a considerable time building internal capacity.

Azar Jammine expressed his frustration at the constant discussions about how to solve problems of service delivery. The Green Papers' lack of focus on the urgency of decision-making on all matters concerning the government, coupled with the lack of human resources available, was worrying. Building resources, Jammine said, is a very long term project. He also questioned the overriding emphasis by government on growth when there is an almost exact correlation of the South African growth rate with the growth rate of the rest of the world.

William Gumede echoed Jammine and Matshiqi saying that the idea of a National Planning Commission was a good one, but that in order for it to be effective, it would need not only

political legitimacy but also a technically skilled bureaucracy to drive the long term plan. This administration would need to take advantage of the best skills in the country, regardless of political faction or race. He underlined the importance of a development coalition which would bring together stakeholders from business, civil society, political parties and the unions. Ultimately the big obstacle is the political project, Gumede said. Zuma's 'coalition' will not allow the Planning Commission to work independently of the alliance as all groupings in the coalition seek reward for loyalty. With supporters calling in favours, the Zuma administration might find that the politics of its alliances partners cause paralysis at the centre. In sum Gumede said that difficult and courageous political decisions would have to be taken for a centralised commission to have traction and drive the development project.

The panel discussion was followed by questions from the audience. Points raised included the need for the public service to be professionalised and depoliticised and that education and skills development were imperative as part of a long term solution to effective delivery.

Francis Antonie
Director



Chairperson

I am joined today by a panel of experts in various fields who will bring different perspectives to bear on a current policy discussion that is in the stages of public comment. The Ad Hoc Committee in Parliament on the Green Paper on National Strategic Planning has invited submissions, and today we will discuss some of the broader issues, related to the proposals in the Green Paper on national planning. There are three key strategic analytical areas that require a degree of attention.

The Green Paper reviewed a number of the internationally benchmarked planning commissions in order to craft the proposals about the possible role that a National Planning Commission can play in South Africa. The planning commissions in India, Brazil, and Botswana seem to have been given the most attention. As in the case of these countries, our planning commission is located in the Presidency.

There are not only institutional issues about what configuration this will take in relation

to Cabinet and existing structures. These questions have constitutional implications as well. For there are existing arrangements, existing constitutional institutions, that will all have a role and a bearing on planning, but have their own constitutional independence; to cite two examples that immediately come to mind: the Financial and Fiscal Commission and the Public Service Commission. Various constitutionally entrenched institutions will have an organic relationship with the National Planning Commission. So there are institutional and constitutional questions, and, perhaps most interestingly, political questions which need to be considered.

We have seen a significant politicisation of the discourse on the National Planning Commission, and we have seen specific resolutions at the recent Tenth Congress of South African Trade Unions (COSATU) Congress. We have seen various alliance statements that also relate to the role of planning. There are therefore a number of issues on the table, not least of which the actual proposals themselves, the politics and the constitutional issues.



Rau

Neren

Neren Rau

We believe that the methodologies that underlie the papers [Trevor Manuel's Green Paper on National Strategic Planning and Collins Chabane's Policy Document on Performance Monitoring And Evaluation] are fairly sound, from both a planning and a performance management point of view. Theoretically we're on the right path, so that is a very good basis for a point of departure in terms of both the papers.

An area of concern on the part of the Chambers of Commerce and Industry, is the issue of deliverables and delivery in the short term doesn't seem to have received prominence, especially in the planning document. While we have a long-term planning outlook, we have to bear in mind that delivery has to be accounted for during the term of the Zuma administration.

The second area we thought was fairly well done was the identification of the challenges that government is facing, and the challenges that government has carried over into this administration. That seemed to be fairly sound and reasonably comprehensive. There seems to be a strong understanding from government

about what it faces. The part that starts to weaken, though, is how Government is going to deal with these challenges.

If I may quote one aspect of the report: it cites appropriate skills, lack of training and development, inadequate leadership, lack of political will, management weaknesses, inappropriate institutional design and misaligned decision making processes.

What we would have liked to have seen following this is how Government is going to deal with it. It's no use just acknowledging the challenges and putting them aside, because they will continue to haunt you, no matter how efficient and sound your planning and control mechanisms are. So we would have liked to have seen, not just an understanding of these challenges that have carried over from the past, but mechanisms in place to address them in the planning and control processes.

The next issue we looked at is the role of the Minister, and particularly we looked at the role of the Ministers vis-à-vis the role of the Deputy President. The Deputy President seems to be conspicuously absent in both papers and that

“So we do have concerns about the power that these structures and these proposals seem to amass around particular Ministers.”

raised some concerns. As I suppose any leader is prone to do, one gets a sense that, particularly in the Green Paper, there is an attempt to gather a lot of power around the Minister.

That is an overwhelming sense that we derived from the paper, and we had some concerns in that regard, in terms of theoretically creating a type of Prime Minister role through the structures proposed in this paper.

So we do have concerns about the power that these structures and these proposals seem to amass around particular Ministers. One also begins to wonder how co-ordination is going to unfold in terms of the other government departments, and vis-à-vis the planning ministry and the control ministry, in terms of their relationship to the Presidency.

Then we looked at the structures that have been proposed, and we thought, particularly from a national planning point of view, if you're just looking at a secretariat and a National Planning Commission, that's good and well. That would be a fairly lean government department if it's just those structures. But if one starts to look at agencies and other elements of bureaucracy being created around that, or potentially being created around that, then one starts to wonder whether we are creating another little empire within the Presidency. And of course that creates difficulties in terms of control.

Minister Chabane would then have difficulty trying to identify who is actually carrying the ball, where the buck stops, and what the different power dynamics are between the National Planning Commission, the proposed agency, the secretariat and the Minister himself. So we envisage some challenges there if they do not stick to just the National Planning Commission and the secretariat, which we believe in themselves are sound.

Then of course we looked at the roles of business and the social partners in the proposed

structures. We would have liked business to be acknowledged to a greater extent. There's a diagram in the Collins Chabane paper where the unions are mentioned, but sadly we're omitted. That was hurtful, so we would like to see, particularly if we accept that there should be an emphasis on education, that is beyond dispute.

Everyone is in the proposed structure except us, and we see ourselves as a critical contributor to the skills challenge and a critical partner in dealing with the education challenge. So we would have liked to see greater reflection on business, and the other social partners as well, and mechanisms put in place for ongoing interaction with these partners, in both in the planning and control phases. I believe it's done slightly better in the control paper than in the planning paper. There is some provision and acknowledgement of the role of social partners, but not so much so in the Green Paper, Trevor Manuel's paper.

The other issue we would term 'alignment of the past and the present'. There are certain processes already under way in government. To pick two at random that currently command a lot of our time, the National Health Scheme and the issue of labour broking. And these are big issues. They have had a lot of media attention. We have prepared and are submitting papers and engaging on these issues, and one wonders how they will fit into this framework, because you don't have this national plan yet.

So it's a bit of a cart-before-the-horse issue. Are we then going to devise a national plan that will somehow take these into account? Before we started pushing these issues forward, should we not have already conceived of this national plan? One doesn't see too much attention in these papers on those areas of alignment between the past and the present.

The next issue is one of timing. Perhaps I should have come to it earlier, but I wanted to start on a positive note. One would have thought that, given the state of development of these papers, we would have seen them a lot earlier, particularly the Green Paper. I would have expected to have seen such a paper within the first few weeks of the Minister's appointment, maybe the first two months. But here we are, almost six months in, and there's



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a lot of tentativeness around it. There doesn't seem to be any indication of what this long-term plan is going to be; there's provision for another year for its design.

So we are a bit concerned about how much time remains to implement, these proposals within this administration. We fully accept that the intention here is to cover a number of administrations, to go up to 2025. But this administration will have to deliver during its time for it to be voted back into power. That issue seems to have fallen by the wayside. This administration, very early in its term, has been exposed to huge pressures in terms of service delivery, so I don't think our citizens are going to be patient into multiple administrations.

We stand by our view that the dominant party has perhaps two terms left to prove itself. After that, I think patience will run out, and we've already seen that early in the phases of this administration. We have been through a wave of service-delivery protests this year. So we're

very keen that this long-term strategic plan be put on the table sooner rather than later, and that this administration allows itself sufficient time to start effecting the plan and effecting service delivery.

Of course, we don't see too many service-delivery protests from businessmen, but needless to say, as we approach a recovery, if we don't get our service-delivery house in order, it's going to impede South Africa's ability to take advantage or ride the wave of recovery.

So we have huge concerns about this, and within SACCI, if I may punt my organisation slightly, we are working on a national programme whereby we're addressing service-delivery issues in each little municipality, each locality, and we hope to partner with government to address this challenge. So business is not always passing the buck on to government, as someone recently accused us of doing; we do try to partner with them wherever we see an opportunity.

Lastly, the role of government in a democracy. This is a bit of a philosophical question, and it comes from the Dinokeng Scenarios, which provide for three possible futures for South Africa: walk together, walk behind and walk apart. And what that is really about is the relationship between government and civil society.

So my closing point has to do with, as South Africa progresses, having to provide that civil society takes on an increasing role and government takes on a diminishing role, and that idea doesn't seem to be reflected, even though we are looking at a long-term time frame. We accept that in the early phases of a developmental state, government leadership and political leadership is essential, and government has to play the dominant role.

But down the line, we need civil society to be more involved and government to take something of a back seat, or at least work in partnership with civil society. So we will push for reflection on that issue in the next drafts of these papers: that government doesn't continually see our future as being one in which they are dominant and which they have to control. We accept that that may be necessary now, but down the line we want to see a stronger government / civil society partnership.



Aubrey Matshiqi

I don't know why we are debating this Green Paper, because it seeks to address problems that do not exist. Crime, poverty, joblessness, homelessness, poor health, poor-quality education and all that . . . in Xhosa we don't have words for these things, and therefore they don't exist.

I must say I enjoyed reading the Green Paper. If half the things that it says must be done are achieved, living in South Africa will be like heaven. Before I even continue: I want every South African government to succeed, because it is in my interests – whether it's an ANC government, a DA government, a COPE government or a Freedom Front government, I would feel the same. Wishing otherwise is similar to cutting off your nose to spite your face.

I don't intend to provide a coherent argument; I'll list a few things which I hope we can pick up during the course of the discussion. It seems to me that one of the things we should decide is what kind of relationship we want between democracy and development. As you know, there are those who argue that democracy is a prerequisite for development and there are those who argue that it is not. Others argue that democracy is neither sufficient nor necessary for

development.

Of course if you look at China, that developmental trajectory is not a democratic one. If you look at Japan, their developmental trajectory was a democratic one. You can take any group of countries in the world and find support for each of the three arguments.

We're a constitutional democracy, so in a sense we have made our choice as far as our developmental trajectory is concerned. We will marry developmental goals to the idea of democracy. That's the first point that I think is pertinent.

Secondly, we need to look at the global economic crisis. To me it is having an ideological impact. The state is "in", and the markets have lost credibility. Nicolas Sarkozy is even creating a dichotomy in how we should talk about the current crisis of capitalism. He has termed it the crisis of Anglo-Saxon capitalism. And what he's suggesting is that the world is going through this economic crisis because the Anglo-Saxon model over-emphasises the role of the markets over and above the role of the state, and, in part, this what has led to this crisis.



Aubrey Matshiqi

Therefore, whatever developmental trajectory we adopt in future must take into account an increased role for the state. That has ideological and policy implications, not only for this debate on the Green Paper, but for other debates with regard to where this country is going.

The third point I want to throw in is an idea that struck me when I was reading Amartya Sen's latest book, *The Idea of Justice*.

We must bear in mind that a lot of what is contained in that Green Paper is not new. The vision is not new. It's a vision we have had since 1994, and it's a vision that informed the liberation struggle prior to 1994. So at that level, the Green Paper is not telling us anything new. What might be new is what it says about the structures and processes that must be put in place to give effect to the vision.

Now it seems that a gap that has developed since 1994 is between the procedural and the substantive. In other words, the procedural aspects of our democracy are sound. We have elections every five years. Our institutions are more or less healthy, notwithstanding some of the things that have happened over the past four years.

So the procedural aspects of our democracy are sound. It is a substantive aspect of our democracy that is not, and this why, day in and day out, community after community goes out in protest against what we call poor service

“ It is a substantive aspect of our democracy that is not, and this why, day in and day out, community after community goes out in protest against what we call poor service delivery. Personally, I think these protests are about the under-performance of both the state and the economy.”

delivery. Personally, I think these protests are about the under-performance of both the state and the economy.

We have just come out of a period of unprecedented economic growth whose benefits did not extend significantly beyond capital and the middle class. The window of opportunity has closed, and it closed before these communities could benefit from this unprecedented period of economic growth. Hence, in part, we are having these community protests.

But I also do not see them as protests against local government, I think the protests are against the under-performance of the state as a whole. Local government, the local councillor, just happened to be the most immediate manifestation of this under-performance of the state. But for me, the key problem is that these people have been let down by both the state and the economy.

This leads me to this idea I was talking about. In *The Idea of Justice* one of the central points Amartya Sen makes is that there is too much of a focus on indicators, economic and other indicators, and not enough of a focus on the actual lives that are led by people. There's a pretence that the actual lives that are led by people reflect the indicators. So he talks about the gap between economic opulence and the actual lives that are led by people. So for me, the gap is between the idea of justice and the reality of justice, particularly if you're poor and working class.

One thing that interested me about the Green Paper is how it defines the relationship between

the President and his Cabinet. The document talks about how the President will enter into a performance agreement with Ministers. If you read further down, of course, certain forums will be created and performance agreements will be entered into with government departments and external service providers.

What this raises for me is the question of electoral system. If we had elected the President directly, it would be much easier for us to say: go into that Cabinet and enter into a performance agreement with those Ministers on the basis of the mandate we gave you, so that if you fail to act accordingly, because they are failing in critical aspects of the implementation of the performance agreement, we, as citizens, will recall you.

One of the implications of saying the President must enter into a performance agreement with the Ministers, for me, is that you must start thinking about whether this will be given sufficient effect under the current electoral system. I doubt it will.

Then there's the issue of the politics of the Green Paper, starting with Trevor Manuel –the personalisation of the state planning process around Trevor Manuel. The adoption of the National Planning Commission was a victory for the left, because for the left, firstly, it's a short cut. Remember that one of the problems with the left is that it thinks being in alliance with the ANC is sufficient, when in fact the greater challenge is to ensure that the left wins majority support for its policy orientation in the branches of the ANC. So being in alliance with the ANC on its own is insufficient if they want to give effect to their policy desires.

So when they won this victory of the state adopting this Planning Commission, clearly they wanted a powerful planning commission, obviously one that is informed by an East Asian logic. But they didn't think it would come with a powerful Trevor Manuel. On paper, Trevor Manuel is the most powerful Minister in Zuma's Cabinet.

In reality, the left may be scared of nothing, actually. For me there's a major problem here: that there's a statutory vacuum between the Planning Commission, the planning function, on the one side, and the rest of the state. And

this goes to the question of compliance. How do you make departments, provinces and local government comply with the plans of Trevor Manuel and his commission?

The best you can achieve is political compliance because if you do not comply, you won't be on the ANC's list in 2014. But if you tightened the relationship between the Commission and the rest of the state through statutory provisions, then what you would ensure is administrative compliance of the departments, the provinces and local government, instead of political compliance, which is dependent on the ANC remaining the ruling party of the country, and remaining in control of the majority of provinces.

So you can be certain that legal skirmishes will occur between central government and a province such as the Western Cape, which is not in the control of the ANC. But also bear in mind that the Green Paper is based on the assumption that the ANC will be in power until the second coming of Christ, and I still don't understand why Christians complain when Zuma says that, because they should be much more optimistic. What it means to me is that the coming of the Lord might be much nearer than you think.

Politically, the Planning Commission is an important site of power influence and therefore competition. It is not surprising, therefore, that the left has come out in the manner that it has to attack Trevor Manuel. I do not think I'm being paranoid, by the way. On paper he's the most powerful Minister in that Cabinet, but there's a reality they're responding to.

They know that he remains a powerful figure in the determination of the policy content of our macro-economic policy. They know that as long as Trevor Manuel remains in that Cabinet, he will have a lot of influence on the content of economic policy in this country. So they're not complaining about him being Prime Minister, they're complaining about the impact he'll continue to have on macro-economic policy. And therefore my view, or my suspicion, is that the left wants him out of Cabinet, and once you have him out of Cabinet, you can create room for much more left-leaning Ministers to reflect much more effectively the policy orientation of the left.

“the creation of a Ministry of Women, Children and the Disabled. As you can see, women, the disabled and children have the same status, so to speak. I can understand why Zuma did this: it's a short cut. It avoids doing what needs to be done, and what needs to be done is to treat gender as a transversal issue.”

Interestingly, when the Alliance Political Council met on Monday and Tuesday, one of the strongest points that came out of that meeting was a reaffirmation of the ANC as the strategic centre. My interpretation is that COSATU went into this Alliance Political Summit feeling bullish and came out with a bloodied nose. (Interjection: They said they were smiling.) Oh, they were? Well, some people smile at the sight of blood.

Also, what is critical here is that the public participation process is closing on Friday, but COSATU will be able to engage with the ANC's economic development unit beyond that period. My reading of that is that COSATU may be able to ask the ANC to use its parliamentary majority to restart the public participation process so that COSATU can make its own input.

But remember that COSATU has called for the ANC to withdraw the Green Paper, and the question for me is what message is being sent to COSATU's constituency. Does this look like capitulation on their part? On the other hand, this is happening in a climate where people believe the left has taken the ANC over. If the ANC accedes to any demand from COSATU that the Green Paper public participation process should be reopened, some internal constituencies of the ANC might see this as capitulation on the part of the ANC, and therefore there might be resistance to the idea. So what will unfold is going to be quite interesting.

What perturbed me, though, as I was reading the Green Paper revolves around gender. I've been perturbed since Zuma announced the creation of a Ministry of Women, Children and

the Disabled. As you can see, women, the disabled and children have the same status, so to speak. I can understand why Zuma did this: it's a short cut. It avoids doing what needs to be done, and what needs to be done is to treat gender as a transversal issue.

For example, if you do that, it means you will call for gender-sensitive budget processes, for instance, which we do not have at the moment. Which means the entire plan of the state, among other things, will have to be gender sensitive, and I don't see that gender sensitivity in the content of the Green Paper.

So I was perturbed by that silence as far as the issue of gender is concerned – maybe partly because, as much as we are fighting for the creation of a developmental state, the post-apartheid state, like other states in the world, remains patriarchal.

Finally, when I read the document it was clear to me that there is an intention to move beyond the global. Cabinet is going to a Lekgotla, I think in January next year, and they are going to look at 2009/2010 plans. In other words, the idea is that you have the 2025 vision, which breaks down into five-year chunks of the Medium-Term Strategic Framework, which you break down into annual plans, and this is where the idea of what should happen during Zuma's presidential term comes up.

They have not left it at that global level of five-year terms or a 2025 vision. The intention is to annualise these global plans, so that we are able to measure the performance of government annually and at the end of each five-year term.

I do not expect fundamental change over the next five years. It is objectively impossible for the Zuma administration to deliver on what was promised during the election campaign, simply because during the next five years there will be a period during which the new instruments created by Jacob Zuma will themselves be creating internal capacity.

The Department of Economic Development and the National Planning Division will be creating internal capacity. They cannot deliver optimally while they are doing this. Therefore fundamental change, or at least the kind of change that was promised during the election campaign, will not be possible.

Azar Jammine



Azar Jammine

I feel a little out of my depth in this discussion. These are not the kind of issues that I, as an economist, normally get involved with, and I am increasingly building up a feeling of frustration at seeing what needs to be done, and seeing that on the other side there is just a hell of a lot of talk, talk, discussion, discussion, talk, arranging new institutions and not actually getting on with the job.

This has come to a bit of a head with the proposed massive electricity price hikes. Discussions I have had with officials in both the private and public sectors with regard to the whole electricity and energy sector in the country have frightened me, to be perfectly honest, about the potential shortages of electricity that this country may endure in both the short and the longer term.

You clearly can't plan for the short term from the point of view of strategic long-term planning. But the fact is that the demand for electricity is growing more rapidly than the economy as a whole, not less rapidly, as has been built into plans hitherto. And I see all this waffling about what we need to do when, if you do a bit of a longer-term projection, you can see that even with minimal growth in the economy, the way things are going we stand to run out of energy in six to eight years' time, maybe a little longer, unless we start building new power stations immediately.

And then I look at the discussions that are going on. Even with this price increase, you have Eskom putting a proposal through to NERSA [National Energy Regulator of South



Azar Jammine

“We actually don’t know who the ultimate arbiter will be as to how much prices of electricity will rise, how they will rise, who will bear the cost, etc. Because, by the way, it is not just a 45% increase. Some people will bear more, others less, etc.”

Africa], NERSA will then put a proposal through to government, government will then have a discussion in Parliament. Nothing is actually going to happen until this time next year, and in the interim, valuable time will have been lost in terms of putting things into place.

Theoretically, a National Planning Commission of the kind that has been outlined here would seek to address such issues, but immediately you start thinking along those lines, ask ‘what is happening right now?’ We actually don’t know who the ultimate arbiter will be as to how much prices of electricity will rise, how they will rise, who will bear the cost, etc. Because, by the way, it is not just a 45% increase. Some people will bear more, others less, etc.

These discussions have been ongoing, but no final decision being taken. Now we have a potential heightening of this indecision: yes, we will have a National Planning Commission that will suggest this, but who is going to take the decision? There is the Department of Economic Development, the Department of Public Enterprises, the Department of Trade and

Industry, the National Treasury or the Department of Energy. I am very unclear in my own mind. Everyone is discussing these things without actually focusing on the urgency with which decisions need to be taken. And that is what is driving a lot of the service-delivery protests, because decisions are not being taken.

Part of the reluctance to take decisions is not just a lack of planning. It’s a lack of human-resource ability among those who should be taking decisions. That is a very broad issue, but it goes back to the critical need for education and skills development. Here, again, I have a problem. I suppose the good news is that we’re talking about this as a constraint more than we did a few years ago, when I first identified it as a major constraint on the future development of the country. But the bad news is that it’s a very long-term process. Even if we were to put into place mechanisms now to improve the human-resource capacity of the country, that in itself would take ten to 15 years to develop.

I found it quite encouraging that the National Planning Commission did allude to these two areas, but at the same time I feel a little frustrated and concerned that we will just go into another general period of discussion and argument, with politics interfering, and nothing actually gets done in the end.

The final point I want to make is: does all this mean all that much when you bear in mind that the most critical determinant of economic growth in South Africa has nothing to do with whether we have National Planning Commissions, or whether Zuma is in power, or Mbeki is in power? If you look at the graph of South Africa’s GDP growth against that of the world, you will see a one-to-one correlation. We are totally dependent on what happens in the rest of the world, and part of that is because we have become so uncompetitive that we are at the mercy of the rest of the world. We are totally dependent on the export of raw materials and processed materials, in order to earn the foreign exchange which we can then invest in plant and machinery to keep the developmental state going.

When are we going to wake up to the fact that we actually need to get a move on and become more productive, rather than engage in endless discussions about the structures and institutions we are faced with?



William Gumedde

will do a comparison in terms of why some development planning has been working in some developing countries, and why it has failed in other countries.

The important thing to start off with is that since the Second World War, very, very few of the developing countries that actually developed did so without having some kind of plan and some kind of central unit. So this Planning Commission is something we should have done in 1994.

But having said that, I think the first of the key elements of successful development planning is the urgency to develop. We're in a crisis and we have to move very, very quickly. As it was in Japan, after their defeat in a war where the whole country was destroyed and they had to respond, we will have to say to ourselves that we are in an absolute crisis. We have to move out of this as quickly as possible. And then we need the political will.

The other key element of it is long-term development plans. There's no point having a central structure unless you have a real, clear development plan. A long-term development plan really focuses you. You can ask where we want to be in 25 years, and then on a yearly basis where we want to be, and how we get there. It concentrates all our energy into something and

stops the rhetoric and side-talks, because you really have to say, if you want to be at a certain place, what you have to do to get there.

A part of this is that one also needs a dedicated unit. This is what our Planning Commission must do. But an important part of any central or dedicated unit is to have political legitimacy. If it doesn't, we're going to go on forever and talk about this thing for the next ten years.

The other very important part of it is the operational structure. If you don't have an apparatus with highly qualified people, people who know what to do, you're also going to go nowhere.

In all the countries that have really developed very quickly since the Second World War—those with political will, who wanted to move forward—the bureaucracy was a key component of moving forward. You can have all these plans, and a dedicated unit, but if you don't have a public administration with competent people, so that you've taken the politics and the business interest out of it and you've made it a classic service, you're not going anywhere.

What you need to do is take the politics out of the service, whatever service. If you look at those countries that have developed very fast and used a central planning unit, the technical

skills deposited in that unit were a very key factor. So in order for our Planning Commission to engage in this work, what we really need are the best skills in the country, no matter what political faction in the ANC you are in, no matter what your skin colour is, and so on.

We have to look at it as a war effort, like Japan or Germany. They were devastated by a war. You have to move forward. If you do not, your country is in peril. You can't have the luxury of looking at people's skin colour. You can't have the luxury of looking at what political faction people are in.

What you then need is commitment to the country and the tactical skills to do the job, and then you give people objectives of real, clear targets which you want to achieve. And that's the other part of successful planning units or Planning Commissions. You need to have very, very clear targets. You can't go all over the place, have grand visions with no clear targets. And you have to have monitoring mechanisms.

At the same time there has to be political legitimacy. Trevor Manuel clearly does not have political legitimacy in the ruling party. The key part of many of the successful planning units has often been that the heads of the planning units focused exclusively on planning, and on co-ordinating planning across the government – but that head has had the political legitimacy to do so. If there is no political legitimacy, what normally happens is either that a Planning Commission or a planning unit is down-graded to some lower department somewhere, or the person just doesn't have the legitimacy in the ruling political party to do more than visualise. Moving forward, the other important part is the creation of a developmental coalition between

You bring them in even if you have to put them all in one room and say: *“Look, it is our Planning Commission. This is where we are, and the country is in a crisis. We want to move forward. We know we can't agree on everything, but we have to agree on the core things here.”*

the state, the private sector, and civil society or elements thereof. So what we need, and what we have talked about before in South Africa, is to try to get a social pact together. You are not going to be able to move forward in terms of planning unless you bring in your stakeholders – business, the unions, opposition parties and civil society. You bring them in even if you have to put them all in one room and say: “Look, it is our Planning Commission. This is where we are, and the country is in a crisis. We want to move forward. We know we can't agree on everything, but we have to agree on the core things here.”

So to me that developmental coalition is crucial. Brazil tried to develop during that period after the Second World War, but they never managed to get their developmental coalition right. India, before 1990, never got the developmental coalition right.

And then, of course, there's going to be a struggle over what the content of any long-term developmental strategy should be. If you have a dispute over policies you're not going to move forward.

Now for me, the first thing is that we don't have the bureaucracy to push a dedicated development commission forward. If you have a poor, inefficient, mismanaged, corrupt public service, who is going to drive any long-term development plan, even if you have a dedicated unit? One strategy would be to set up a dedicated unit that would side step the bureaucracy. You need to think strategically. You have to take realities into account before you can move forward.

In our case, for the past 15 years our public service has been unable to deliver even basic things, like picking up garbage. So we set up a dedicated Planning Commission and try to short-circuit the public service. We recruit the best people in the country and put them into the public service, who are going to drive our development. But how do you then link that Planning Commission to the provinces and to the bureaucracy? How you do that is a very crucial technical thing.

Also, how do you get political legitimacy if it's inside the ruling alliance? How do you get legitimacy if it's outside the ruling alliance? Because there is no way you can try to develop

without bringing in important stakeholders and representatives.

The problem is we have to do something. You can't say that everything looks so bleak nowadays, there is nothing we can do. Actually, if one looks at the way we structured the World Cup 2010, that is essentially how you run a Planning Commission. We set up a structure outside government, if you think about it. There's a target. We need to get the World Cup in 2010. Then it has to be organised, otherwise there will be massive embarrassment. It has to happen. So we pull out all resources in business and civil society and put them behind the effort.

That, for me, is the idea of what a Planning Commission is all about, and what it has to be all about. You don't have time to play around. Development must happen. You have to create so many jobs in two or three years. You have tried the state, and the state hasn't worked. You can't ignore the state; you have to get the state involved. So I think what we've got through this 2010 bid is a sort of example, in a sense, because you also want to use your own ways of doing.

Ideologically, this is the moment for the state. The state is going to play a big role globally, but our problem is that we have a poor state. If the state steps in and it's incompetent and mismanaged, you just compound your problems. One has to look at these sort of realities before you move forward.

But I think the big difficulty is going to be political. Just the nature of the coalition behind Jacob Zuma will make it very difficult to implement anything within the next five years. I think we're going to spend the next three or four years just on the consequences of the ANC's political campaign and of Polokwane, because Jacob Zuma struck together a coalition of people so diverse, so at odds ideologically, with so many different expectations.

Look at the irony of the Planning Commission. It was proposed by COSATU and the Communist Party, but they are the now its opponents. So it's this coalition that Jacob Zuma, politically, will have to manage in order just to stay in power. Essentially what's happening politically is that massive expectations have been raised,

whether pre-Polokwane or after Polokwane, during the elections. So all the people want things to happen. Expectations are great on this one level.

On the second level, we have a state that cannot deliver on those expectations immediately. That is the reality of it now. And then on another level, within the ANC coalition you have the different groups demanding to be rewarded for supporting Jacob Zuma. Some of them are saying they want to purge people associated with Mbeki's order, including those in the civil service. That causes paralysis in the centre. Directors General and those sort of people are very important in terms of delivery. So if purges are going to happen, can you imagine the uncertainty? Now can you imagine the uncertainty of other people in senior management, who are not going to take any initiative because they are too scared that their heads are going to be chopped? In this mix are also people who are opportunistically using the opportunity to get rid of rivals. They have waited for a very long time. Now they just need to smear you and say you are COPE or pro-Mbeki, and you are out.

So for the next few years we have got paralysis at the centre because of all the politics that hasn't been played out, and it must play out one way or the other. At the same time, you have the supporters of the ANC with massive expectations who now want the dividend of democracy and the economy, and they don't want to wait. They have run out of patience. So Jacob Zuma is not going to have the same kind of latitude that Mandela had, because people wanted him in so that he could deliver.

In this contest, can Jacob Zuma take difficult political decisions? Can you imagine? The whole point of developmental states that were successful is that these tough political decisions were made. In some places in South Korea, before 1970, people were executed if they didn't deliver.

Of course we are in a democracy, but if you have limited resources, and you can't allow money to be wasted or mismanaged, and somebody doesn't deliver who is a senior figure in the party, are you going to do something about it? Or are you going to create another policy, rather than dealing with the real issue?



Questions & Answers

MR DANIEL WATSON: (Policy Desk, SACCI) *My first point is that Manuel's document mentions that not only will he be sitting on the Ministerial Committee on Planning, but also it appears that there will be a new ministerial committee on the budget. It's in the name of good corporate governance, and then of course the departments would have to implement the policies, and it looks as though he will be approving their budgets. In that case he would be judge, jury and executioner. So he has a lot of power. He could target specific departments.*

*In the second point, there's a section in which point 12 is dedicated to spatial dimensions of development, and in the annexure at the back it refers again to this topic, specifically mentioning Julius Nyerere's programmes and reforms in Tanzania. In which case I'd like to point out that Martin Meredith in *The State of Africa* points out that Julius Nyerere's land reforms in Tanzania were a horrible mess. He did something regional specific; in fact he tried to move business into specific areas in the country, and, just as a side note, he also condoned the expatriation of Indians from Zanzibar. In the same week Johan Rupert brings out a comment calling for a tax-free zone in the Western Cape, and he indicates that he has had the approval of senior ANC officials. I'm trying to figure out who that senior ANC official might have been. I'd like to finish off that comment by saying that SACCI is pro-SME development, and to me it looks a lot like you're taking the advice of the bourgeoisie to vote in the best interests of the proletariat.*

MR VUSI MAVUSO: (Institute for Local Government Management) *There are two issues that I think tend to run in tandem. On the one hand you have the intention to create a single public service. On the other hand you have the National Planning Commission. This seems to suggest a gripping bureaucratic sclerosis developing, suggesting that on the one hand you strip capacity from local government, on the other hand you add more responsibilities on to local government and then you expect a miracle.*

Let's take an example. You have these many balls thrown into the air, hoping that none of them will fall on the ground. You have Transnet, Eskom, SABC, and the list goes on. No one is co-ordinating all this in order to create some measure of cohesion and coherence, and for me that becomes a serious problem.

Questions

Questions



ADV PAUL HOFFMAN: (Institute for Accountability in Southern Africa) *I want to take up points that were made by your first and last speaker.*

William, everybody in this room knows that it's a basic tenet of the National Democratic Revolution that there should be cadre deployment in the public service, and that safe party hands should be placed on all the levers of power. Are you telling us that this Planning Commission is bound to be a failure unless the ANC changes that basic tenet? And when you're answering the question, please deal with the Amathole Municipality case, where two gentlemen, one who was a cadre and one who wasn't, wanted the job of municipal manager. The cadre got the job because the local ANC branch said that he should get it. The loser took it to court and the court struck down as illegal the practice of cadre deployment in the civil service.

My second question is for Neren. I'm very concerned about the way in which the Collins Chabane paper deals with the right to basic education. It assumes that it is a right that is subject to progressive realisation when it's not. It forgets to deal with the children in grades 8 and 9 and it proposes that 20% of the children in public schools just get left out of the equation. Your comments please, sir.

CHAIRPERSON: I'm going to respond to the question about centralisation and then hand over to the panel.

I think this is the very issue that's getting lost in the personalised politicisation of what we've seen emerging in the public space around Trevor Manuel, the political legitimacy issues. Because the real institutional debates here revolve around the extent of centralisation. One can argue that a lot of the politicisation is happening by virtue of the centralisation agenda that the left is looking at.

But to the extent to which a deep institutional analysis of the structures being proposed is necessary, of their constitutionality vis-à-vis cabinet, vis-à-vis the existing provisions for ministerial accountability laid down in the Constitution, there is an entire superstructure being proposed that supersedes key tenets of the Constitution. So there are very important issues around the centralisation that go far beyond only being in the sense that Minister Manuel will have many, many hats.

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...we really get bad people in critical positions. So it's now costing the country. And also it may cost the ANC itself. The pressure on the ANC now is so much on delivery that if it doesn't deliver to its own support base, the party is not going to sustain its dominance.

The deep centralisation issues inherent in the Green Paper, the deep constitutional issues, the profound questions about the practicalities of creating this structure amid the existing constitutional provisions, are legitimate questions that are, for argument's sake, buried in the deeper politicisation around the individual. It's regrettable that the politicisation has taken such a personal tone, because the institutional questions are profound.

MR GUMEDE: I think the commission is not going to work unless the cadre development strategy of the ANC is at least transformed or modernised. It has to be. What happens is that the ANC has a national deployment committee, and then provincial, and it goes down to local deployment committees. And these deployment committees actually decide most of the crucial jobs.

The only way I think this deployment committee can work in its existing form, is if it's set up in such a way that you appoint people on to the committee who are not partisan, who are not involved in party factions. It's a very, very difficult thing to do, but let's say you can try to do it.

Secondly, the way it could work is if the job of the deployment committee were to be actually to go and look for people, whether it's in or outside South Africa, who have the skills. You have to start to re-look at a lot of things, to say the way that you do things clearly hasn't worked. You can't go on and on like that, just to muddle through.

Clearly the deployment committee is one of the problems; how do you transform it? Of course, the nature of political parties is such that you have to reward party loyalty. It doesn't matter where you are, whether you're the Democratic Party in the United States or the Labour Party in the United Kingdom, you have to find a mechanism somehow to do that.

One way, for example, is to give one job to a party cadre on the board of a parastatal, but have the



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majority of really skilled people on the board, and so on. The political reality is that you have to find space for some ANC cadre somewhere.

But the way the deployment committee is now working is that we really get bad people in critical positions. So it's now costing the country. And also it may cost the ANC itself. The pressure on the ANC now is so much on delivery that if it doesn't deliver to its own support base, the party is not going to sustain its dominance. So if you're a strategist of the ANC, you ask: how does the ANC survive? Then you have to say that you will have to reform the deployment committee, or abolish it, in a sense, because of the cost now to the economy and the cost of lack of delivery.

And then there is the long-term cost to the ANC itself, that it may lose its dominance if it puts a cadre who doesn't have the skills into a particular position, and then people in the community say you're mismanaging their municipality. They are members of the ANC, but they don't like that. They may not, in future, vote for the ANC. So if the ANC wants to be dominant it will have to do that.

DR JAMMINE: I think the issue of cohesion between local and central government is absolutely critical, and nothing is getting done because politics keep getting into the way of different layers of implementation, and there is no progress as a consequence. And this is why there is frustration with the lack of service delivery, because it becomes too complex a process.

Having said that, I've been involved in a particular public-sector body set up by government over the past year. And I have found it very frustrating because there's a lot of dilly-dallying about issues and not actually getting on with what the objectives are really meant to achieve at the end of the day.

MR MATSHIQI: In theory there's no conflict between the idea of a single public service and having a Planning Commission. For me, the problem is not that the ANC wants a single public service. There's a higher-order challenge that needs to be met and that is the professionalisation of the public service. By that I mean you must be able to wake up after an election and have no fear about stability in the realm of the public service. At the moment you have a lot of instability after an election because senior managers in government are not sure they are going to keep their jobs.

So there's an extent to which you need to de-politicise the public service and render it more professional, so that it does not matter whether it is the DA or the ANC or COPE who win an election. In the realm of



the public service there will be continuity. It will be as if no election took place. And once you reach that point, then you shall have met this higher-order challenge that faces the public service.

On the issue of coherence and all that, in my reading of the Green Paper, one of the sub-functions of the Planning Commission is to ensure just that; coherence and cohesion throughout the state. Whether they achieve that is another question altogether, but the intention is there. Let me put it this way: the deployment of ill-qualified, under-qualified and inefficient cadres is not a tenet of a national democratic revolution. That's the first thing.

The second thing is that you must not assume that just because one is a cadre, it's automatic that one is inefficient, ill qualified and under-qualified. So objectively, it is not the idea of deploying cadres that is a problem. There is no tension, there is no contradiction, between being a cadre and being qualified and efficient.

MR RAU: I would just like to respond to the question on education.

When the new government structure was announced we were very heartened that there was a split between basic and higher education. We interpreted that to mean that government has a sound understanding of the education challenge and has realised that one ministry was not strong enough to deal with it, so they created two ministers; two minds being better than one. That was our wishful thinking at the start.

And then when I read this paper, initially my impression was that education's just an example. But it seems there is a clear appreciation that this is the challenge. And given that the paper's not really structured around dealing with the education problem, I would hope another paper's going to follow fairly soon, if that's the intended trajectory. But from the principles sketched in this paper, the addressing of the problem seems to be fairly sound, and based on sound management principles.

What is startling is that with regard to many of the issues listed, and here I choose particularly page 8 of the Chabane paper, I actually thought, without ever having worked at the Department of Education, that a lot of these things had already been done. So that raises the question of what was being done. That's probably why we now have two departments.

And that is why we were looking at the potential delivery in this administration and the next. If they don't make a serious dent on the delivery front, they will perhaps not lose control of government, but lose their substantial majority. And depending on their response to that, they will be on a downward slide.

The second issue is that there are clear gaps which I hope will be filled in in the next paper, which deals with the education challenge, particularly. We also believe that the statistics mentioned are largely an underestimate. Our impression in interacting with our members is that what we're receiving into the workforce is far below even the levels depicted in this paper. So there's a significant underestimate here, or maybe a misalignment in terms of the understanding of the education authorities' perception of what is required, and the employers' perception of what is required.

And that is why we insist that that they include business on the diagram in page 10, because that's part of the problem. And of course recently someone did criticise business for not taking the skills challenge seriously enough from a contribution point of view. But anyone who's employed in a corporate will know that not only are there programmes in place to assist employees, but often there are bursaries and other studying schemes to assist non-employees.

The problem for us is not in creating those assistance mechanisms, or making them available, and having them within the corporate structures, it's in getting people who are suited to taking up those opportunities out of the basic and higher education systems, but particularly out of the schooling system.

I want to propose one slightly different approach to the priorities listed on page 12, where they come from the Medium Term Strategic Framework. And out of all the priorities listed, the ones chosen as the top five are rural development, health, education, safety and jobs. The one that was omitted, which we feel should be included, was economic growth. The reason, and it goes back to this education question, is that we believe that if government took a somewhat novel approach and said it is going to focus its budget and all its policy direction in terms of channelling economic growth, it could then enter into partnerships with the institutions that drive this economic growth to facilitate attention to the other challenges: crime and security, service delivery at municipal level, and so on.

That is an approach we would advocate. And even if that approach is not followed, we cannot accept that economic growth is omitted from this list. Because to us it's the fundamental solution to dealing with crime and security issues, food security issues, infrastructure development and so on.

KARIMA BROWN: *Mr Rau, in your presentation I was particularly interested in your analysis in which you said, in your estimation, that the ANC only has about two more terms left in it to be the ruling party. Does business have particular research that points to that? What makes you so sure of your prediction?*

Secondly, I wanted to ask the other panellists whether they've considered the paralysis of action that we see in the country as a result of the inability of the social partners to agree on what challenges we actually face. We have contested statistics on what the official unemployment rate is, [disagreement on] what the difference is between a job and a job opportunity. We have no defined and agreed-to poverty line in South Africa. If those things are not commonly agreed, can we talk about a coalition for development, or are we still all in our entrenched thinking and trying to slug that battle out?

MR RAU: I'm sorry if I was misunderstood; I meant that the ANC has two terms in which to prove itself, before it starts to lose power dramatically. That was the intention behind those words. In the last election they performed exceptionally well, far exceeding, I think, many expectations in terms of the majority they achieved. We're saying they may even achieve a fairly strong majority in the next election. But the one thereafter – if they fail to deliver, of course? And that is why we were looking at the potential delivery in this administration and the next. If they don't make a serious dent on the delivery front, they will perhaps

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not lose control of government, but lose their substantial majority. And depending on their response to that, they will be on a downward slide.

Maybe no new leader wants to face the type of challenges that Zuma's facing right now. There is popular support for him, and we believe that that's growing. But at the same time there is also a reflection on the realities of delivery, and there's an impatience as far as that goes. And that's why it seems, if the service-delivery protests continue and are not dealt with, that even at the next election we're going to see a change in the ANC's political fortunes and the political contestability of our political environment.

MR MATSHIQI: I can see where Karima's question about the social partners comes from. There is a tendency in the discourse to treat each of the social partners as a lump of clay. In other words, we assume civil society is a monolith, business is a monolith, and so on. And we do not disaggregate sufficiently the ideological intention that exists between and within the social partners.

But having said that, the ANC enjoys so much power that I need to be convinced that the paralysis can be laid mostly at the door of the inability of the social partners to cohere on what the challenges facing the country are. I think internal dynamics within the ANC, within the state, are largely to blame for the paralysis that we see.

With regard to the ANC losing support after two elections, it depends on which variables you are looking at. The ANC can fail to deliver over the next two elections, and voters still have no credible alternative. The worst that can happen is that the ANC support base shrinks. But that does not necessarily mean you'll see a swing to opposition political parties. Even in that shrinkage, the ANC can still increase its majority. So it depends on what variable you are actually looking at.

And as far as the service-delivery protests are concerned, there's an interesting coincidence here. Prior to the 2006 local government elections, you had 20 months of protest in different communities around the country. But the ANC increased its support at local government level. So it does not follow that when communities are unhappy, they necessarily withdraw their electoral support for the ANC.

DR JAMMINE: I tend to agree with Karima that there are different interest groups that see the challenges facing the country differently. I must say I get totally frustrated at the continuous political talk about different interest groups and inter-racial configurations and this kind of thing, without fully recognising what the basic economic problems and social problems in the country really are. And I get the impression



that there is a denial in certain areas that the issue of education and lack of skills development lies at the heart of a lot of the issues that we are facing. I try to promote the idea that if you get education and skills development going properly, the way I've seen it in East Asia, many of the other pieces to the jigsaw puzzle will fall into place and developmental needs will be addressed far, far more effectively than has been the case.

MR GUMEDE: Just in terms of the social partners, I think there is disagreement over the priorities, but one can't expect they're going to agree on everything. At the end of the day, for me, what a developmental coalition is all about is that you choose at least two or three things. And we take it from there and build on that, and move forward.

For me, the disagreement in the ANC itself is a real, key problem. Unless the ANC's internal fight is managed, we are going to keep on getting paralysis at the centre.

And a problem on the broader level of Africa and African liberation movements has always been the difficulty of turning from a liberation-movement structure, which has a particular kind of organisational and political culture, into an effective governing party. Very few of them have got it right.

So Jacob Zuma will have ask what kind of ANC can deliver on what the country needs. That's a tough question that has to be asked. And once you come to that, then you say: how do we do it, how do we change the ANC, how do we modernise it?

Because other African liberation movements haven't done it. The only one that did was the Labour Party in Mauritius. But they only did it because they were forced to. The party split down the middle ten years after it came to power. And it wasn't a split like we have here, COPE leaving the ANC. It was a split right down the middle of the party. So even the party's allies, the trade unions in Mauritius, were split.

What Mauritius did is almost what, in a sense, must happen in post-colonial, post-liberation states: you have to reconfigure. At the heart of that is you may have to transform the party itself. We do talk a lot about transforming the state and society and so on, but perhaps the heart of the problem is that if you don't transform the ANC, you get all these problems.

But if we do transform it, it's going to be very bloody, politically. Heads are going to roll, Zuma may be ejected. Because it's not easy to do this sort of thing. It needs courage.

Answers

Media Coverage

Sowetan

Alliance 'will stifle growth'

15 October 2009

Zukile Majova

Analysts warn on coalition

PARTICIPANTS in a dialogue about the government's Green Paper on National Planning have identified the ANC and its alliance partners as the main stumbling blocks to the success of Trevor Manuel's National Planning Commission.

Author and political commentator William Mervin Gumede blamed the ANC's cadre deployment system for staffing government with incompetent people, leading to the collapse of the public service.

"The commission is not going to work unless the cadre deployment of the ANC is modernised or transformed," Gumede said.

Speaking yesterday at a round table discussion hosted by the Helen Suzman Foundation in Rosebank, Johannesburg, Gumede said for the commission to succeed it needed to get legitimacy in government, the ANC and society in general.

"Once we have set up a dedicated planning commission

the question is how you get political legitimacy for it within the ANC alliance. How do you get political legitimacy for it outside the alliance?"

Gumede also blamed President Jacob Zuma's coalition with Cosatu and the SACP, saying it would continue to stifle growth in the country for the next five years.

"Just the nature of the Jacob Zuma coalition will make it very difficult, I think, to implement anything over the next five years. Zuma has put together a coalition of people so diverse, with so many ideological differences and many different expectations.

"The problem is how you manage that."

Political analyst Aubrey Matshiqi said there was a need to depoliticise the public service.

Neren Rau, chairperson of the South African Chamber of Commerce and Industry, said business was concerned that the commission had left out economic growth among its key priorities.

BusinessDay
NEWS WORTH KNOWING

'Zuma reforms not possible in five years'

16 October 2009

Wilson Johwa

THE Jacob Zuma administration will be unable to effect substantial changes in the next five years as the proposed instruments for reform will not be fully functional, says political analyst Aubrey Matshiqi.

Since assuming office in April, the Zuma administration has proposed a number of policy changes including possible scrapping of the provinces and a desire to create a unified public service. Today is the deadline for the public to comment on the green paper on national strategic planning.

The South African Communist Party is pushing for the deadline to be extended.

Matshiqi said this week at a discussion arranged by the Helen Suzman Foundation that the green paper, which envisaged the creation of a national planning commission, encapsulated a vision dating back to the liberation struggle. "If half of the things it says are achieved, living in SA would be like heaven," he said.

Among proposals being discussed to improve the operation of the government was the signing of performance agreements between Zuma and his ministers. But Matshiqi said this raised the question of SA's electoral system. "It would be much easier if we had elected the president directly," he said.

Matshiqi said that the left, having initiated the establishment of a planning commission, "didn't think it would come with a powerful Trevor Manuel". But it understood that the presence of Manuel, as minister in the Presidency responsible for national planning, would deprive them of influence.

Economist Azar Jammine said a "growing frustration" with endless discussions over policy accompanied by little action, a trend he said had culminated in the present energy crisis. "Everybody is discussing these things without focusing on the emergency with which decisions have to be taken," he said.

Manuel out to ‘accrue too much power

19 October 2009

Karima Brown

BUSINESS and organised labour found themselves in unlikely agreement in their shared criticism of the green paper on national strategic planning, with both groups criticising Minister in the Presidency Trevor Manuel for wanting to accrue too much power and for being silent on the role of the deputy president in the proposed National Planning Commission (NPC).

On Friday the Congress of South African Trade Unions (Cosatu) in its public submission to Parliament on the green paper said it wanted either the president or Deputy President Kgalema Motlanthe, and not Manuel, to chair the proposed secretariat to the NPC.

The union federation’s insistence on a role for the deputy president should go some way to allay concerns raised by Neren Rau, from the South African Chamber of Commerce and Industry, who voiced concern over the green paper’s complete silence on Motlanthe’s role during a round table hosted by the Helen Suzman Foundation last week.

Rau said it was worrying that Motlanthe did not feature in Manuel’s plans. The deputy president is in charge of the government’s efforts to co-ordinate its framework agreement on the effect of the global financial meltdown aimed at mitigating job losses in SA.

The green paper is at the centre of a war in the Cabinet and tripartite alliance over who controls economic planning and development. The document, released by Manuel last month, is meant to improve the overall effectiveness of the government.

Cosatu said the NPC as envisaged in the green paper

ran the risk of “duplicating” other government departments and warned that unless overhauled, it could “paralyse” the functioning of the state.

It said the green paper’s conceptualisation of the NPC was “severely flawed”. “The very idea of forming a NPC was informed by the need to eliminate duplication, improve efficiency in service delivery and increase the technical and organisational capacity of the state.

“However, the green paper justifies the existence of the NPC, and outlines the functions that it will do, by encroaching on the functions of other departments, particularly the Department of Economic Development, and thereby duplicates the functions of this department.”

Cosatu wants Economic Development Minister Ebrahim Patel to be in the driving seat on economic planning and development and has criticised Manuel’s proposals as a backroom effort to usurp Patel’s role in the Cabinet.

It wants Patel and not the NPC to be responsible for issues such as local and spatial economic development planning.

“Once policy is formulated, the economic development department will engage in discussions with the National Treasury on the financing mechanisms for the planned economic development, which will include calibrating the macro- economic stance required to realise the outcomes of the national growth and development strategy. The economic development department will also engage in the same process with the Department of Trade and Industry in relation to microeconomic policy issues,” Cosatu said.

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