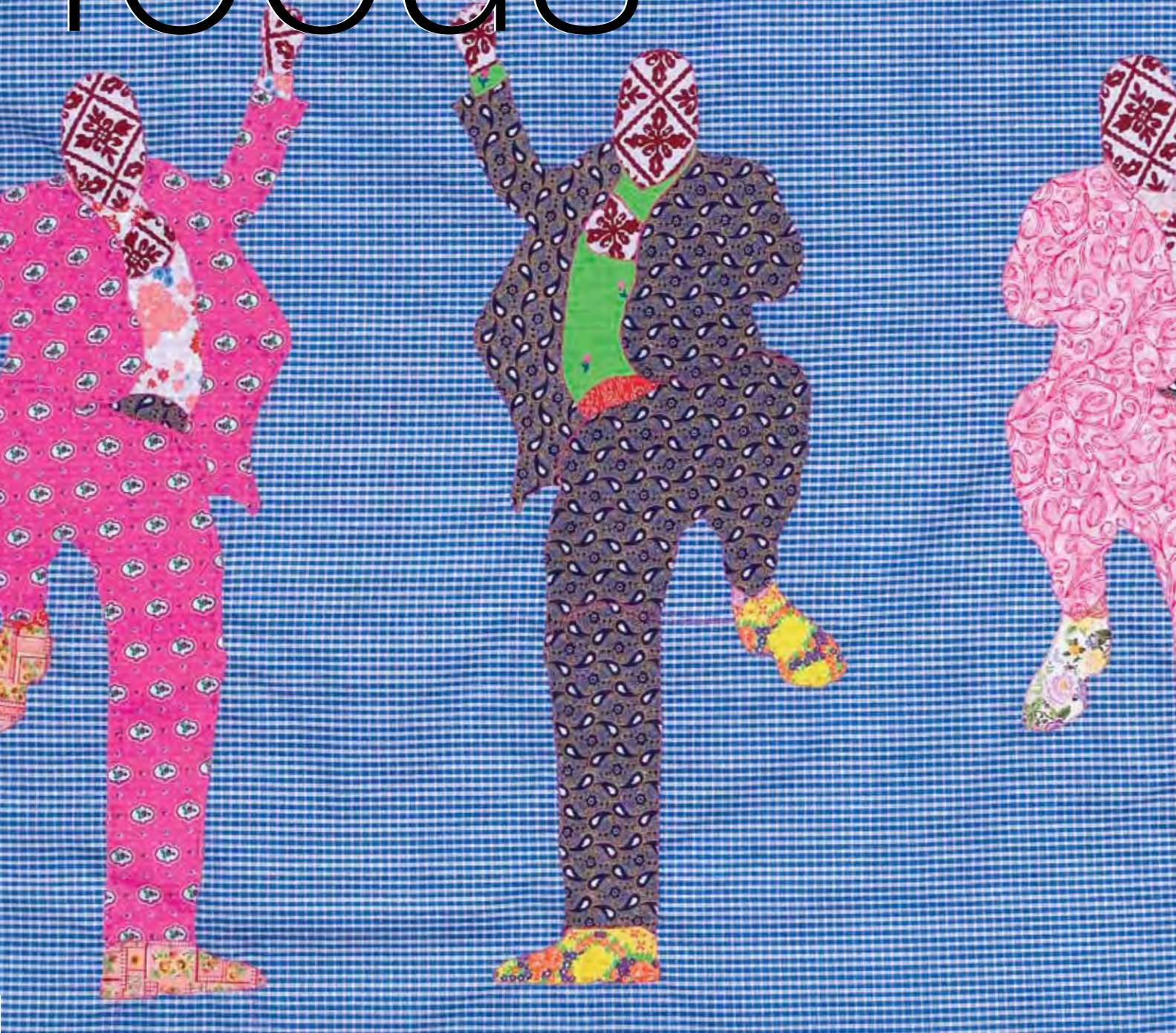


focus

Tracing Political Trends



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Post Poll Politics

Zuma Era Dawns
Quo Vadis Judiciary

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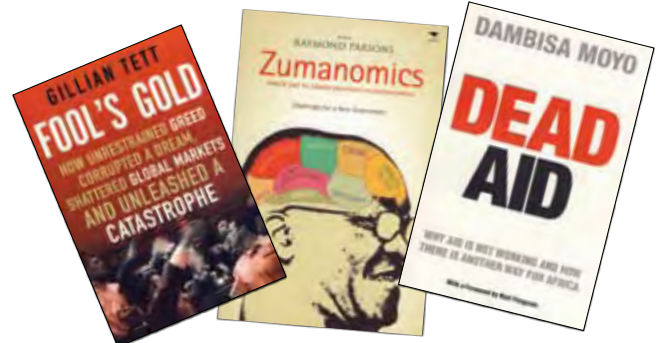
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By Raenette Taljaard

Change Afoot

South Africa's vibrancy as a democracy is attested to by the fact that not a single edition of FOCUS goes by without a considerable number of significant political events occurring within the scope of a quarter – every single quarter! This past quarter is no different.

We have seen a long-standing crime and corruption legal wrangle involving then ANC President Jacob Zuma unwind in a rather unseemly manner in the messy waters of intelligence. We have witnessed the dropping of all charges against Mr Zuma after the release of some controversial taped conversations between then Scorpions head Advocate Leonard McCarthy and former National Prosecuting Authority (NPA) Director Advocate Bulelani Ngcuka, and amid ongoing criticism of the courts and the administration of justice in South Africa, the dissolution of the Directorate of Special Operations and ongoing quagmire at the NPA itself.

We have watched our political parties campaign vigorously during the 2009 fourth democratic elections, seamlessly staged by the Independent Electoral Commission on 22 April 2009, with a robust turnout of over 77%. Many South Africans made their voices heard and votes count. We have seen the decimation of smaller opposition parties, the near-collapse of the IFP, and the undoubted star performers of the 2009 poll, the ANC, with 65,90% (down by 3,79%), the DA with 16,66% (up by 4,29%), and new entrant COPE registering 7,42% of the vote. These parties have emerged relatively robustly, sharing the bulk of the vote (89,98%) between them, moving us ever closer to a three-party system en route to further political realignment and party modernisation along the lines of issue-based, rather than identity, politics as we approach our local elections in 2011, and fifth democratic elections in 2014.

We hailed a new Commander-in-Chief with the election, swearing in and inauguration of our fourth democratically elected President, Mr Jacob Gedleyihlekisa Zuma, on 9 May 2009 in a colourful ceremony at the Union Buildings. We have witnessed the complete restructuring of the government at cabinet level, and a significant expansion and change at the Presidency with the establishment of two new Ministries within the Presidency: one for Planning (Minister Trevor Manuel) and one for Monitoring and Evaluation (Minister Collins Chabane). We have a newly minted

Minister of Finance, Pravin Gordhan, who has the confidence of the international community, and a host of new ministries carrying all our expectations, along with the heavy luggage of the promise of better focus, the challenge of better co-ordination, and the risk of turf wars.

The 490 members of our new Parliament have sworn their allegiance to the Constitution of the Republic of South Africa, and experienced the Opening of Parliament and State of the Nation address. They are now having to find their feet rapidly amid new powers and structures in the National Assembly. Parliament itself has its first male Speaker, a host of new committees and reports on its own oversight role (the Independent Panel's report on Parliament) and that of Chapter Nine institutions in assisting it in the exercise of oversight (the Asmal report) require action.

It has new powers over the process of budgeting, and oversight over a plethora of new government departments. The proverbial 'inbox' of the President, Ministers, MPs, Premiers, Members of Provincial Legislatures, Directors-General and every single public servant is brimful of expectations and requirements for accelerated service delivery amid challenging global times.

We sincerely hope that each and every one of these South Africans will put country before self-interest, principle before expedience, and patriotism before all else. There is a new mood of co-operation and frank exchange in South African politics. Not only the language of the Mandela era, which has been deliberately revived, but also the promise that there would be new mood music between the government and the opposition, and the government and all sectors of civil society, promise a welcome shift if they continue. The demands of our time require nothing less than full and frank discussions in our polity and politics. In the words of the Dinokeng scenario's African proverb: "If you want to walk fast, walk alone, if you want to walk far, walk together." Given that we are but 15 years further along Nelson Mandela's Long Walk to Freedom, it is perhaps apt that we ask ourselves as a nation not only what our final destination is – as the new planning structures will inevitably do – but also how we walk there together and, as a nation facing significant legacy issues and new global challenges, in what spirit we undertake the journey.

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Photo: Antonio Muchave

COSATU leader Zwelinzima Vavi and ANC President Jacob Zuma dance to the tune of “mshini wami” during the Siyanqoba rally at Johannesburg Stadium

By Sipho Seepe

As the dust settles...

After the tumult of the build-up to the election, the ANC has emerged as a much stronger party under President Jacob Zuma

Cynicism about Jacob Zuma’s presidency comes as no surprise. After all, peddling doom and gloom has become the pastime of some opposition parties. This happened with Mandela and Mbeki. As if to spite this, the majority has again returned the African National Congress (ANC) to Parliament with a decisive, though slightly reduced, electoral mandate. The formation of the Congress of the People (COPE), a breakaway from the ANC, has not created a political risk to the ruling party. If anything, it has energised and strengthened our multiparty democracy.



Photo: Antonio Muchave

ANC supporters during the Siyanqoba rally at Johannesburg Stadium

A nuanced understanding of the ANC requires one to locate it within its broad and historical context. Winston Churchill could not have put it better when he observed: "The further backward you look, the further forward you can see."

How do we understand the ANC?

A "broad church" is perhaps one of the most enduring and apt descriptions of the ANC. The ANC is home to uneasy bedfellows – communists, capitalists, socialists, social democrats, Africanists, nationalists, internationalists, atheists, Christians, Muslims, Buddhists etc. This enables the party to assume multiple identities as it attempts to respond to contextual challenges. To bring such disparate and seemingly contradictory groupings under one roof requires a certain degree of faith on their part.

The ANC is also home to different political cultures. One is a secretive and undemocratic culture spawned under conditions of exile, and the other is one of democratic consultation, associated with the United Democratic Front (UDF) and prison. The former demanded blind faith in leadership. It became the hallmark of the Mbeki presidency. Under the pretence of prioritising delivery, people's right to elect their own leaders was usurped and delegated to ruling-party bosses. Parliament was reduced to the function of legitimising and endorsing the cravings of the executive. A personality cult was created as the leader became an embodiment of the party and the state. Zuma's leadership style, on the other hand, is consistent with the democratic, consultative culture reminiscent of the UDF era.

The ANC has not sought to resolve the inherent contradictions. It has simply managed them. It is this ability that has enabled it to capture the imagination of a large section of society during elections. Each grouping is under the illusion that its interests will be served. But this breadth is its source of

strength. It is also a resource for a variety of ideas. It provides the party with a large pool from which it can draw its members, and in doing so, it gives hope to many that their concerns will be considered.

Understandably, the organisation has meant different things to different people at any particular time. Not only has its public character tended to be defined by the challenges it faces at any one time, it has also spawned a leadership that responds to those challenges. Its public identity is defined by the times inasmuch as it defines the time.

Previously, apartheid provided the glue that kept the ANC together. The challenge of nation building and Mandela's sterling leadership kept the group together during the first years of democracy. True, to maintain its political dominance the ANC relied heavily on, and exploited, the political and social capital it had accumulated over nine decades of existence.

The Mbeki years were characterised by the need to extend transformation beyond the feel-good diet of the Mandela presidency. The ANC's political dominance has had the effect of minimising political tensions in the country. Except for isolated cases, our political stability is intact. The downside of this dominance was to consign other black political parties to the margins, thus signalling the death of plurality of opinion in black politics. For its part, the ANC was adept at discrediting those critical of its policies. Black commentators were blacklisted. Mbeki and his cronies (now in COPE) led the charge against Desmond Tutu, Nelson Mandela, Tony Leon and fellow comrades. The ANC under Mbeki had become disdainful of people and intolerant of any dissent. Its deployed cadres used their exalted positions to benefit friends. Opposition parties and critics were conveniently dismissed as opponents of transformation.



Photo: Antonio Muchave

An ANC supporter during the siyanqoba rally at Johannesburg Stadium declares her loyalty

The country-wide celebration of Mbeki's humiliating defeat, conveniently forgotten, was a rejection of this leadership. Citizens had become alienated by the ANC's political arrogance. It is the irony of history that the new leadership has had to inherit the political mess that Mbeki created and nurtured. The removal of Mbeki provided the ANC with an opportunity to reconnect with the masses after years of growing alienation. Zuma's comeback was informed by the emergence of grass-roots leadership from every branch, district and region. He ran a popular campaign that galvanised its activists at every level. In the process, the ANC succeeded in branding itself differently from the way it had been perceived during the Mbeki years.

New life from a failed challenge

The formation of ANC breakaway grouping COPE, following the recall of President Mbeki, was seen as a blessing that would challenge the ANC and jolt it out of its arrogance. This was not to be. As Mark Gevisser notes: "But the truth is that COPE's senior leaders are compromised too: the key players were lieutenants of Mbeki, defeated along with their leader by the Zuma insurgency within the ANC ... Their stated aspirations to usher in a more responsive and accountable democracy ring hollow too, given that they were for so long part of the very oligarchy

that buttressed Mbeki There is nothing in their demeanour or their oratory – let alone their intellects – to suggest that they might become South African Obamas."

Indeed, aside from Allan Boesak, COPE's brain power is tissue-paper thin when compared with the ANC's critical mass, comprising the likes of Dr Pallo Jordan, Naledi Pandor, Trevor Manuel, Jeremy Cronin, Cyril Ramaphosa, Joel Netshitenzhe, Professor Ben Turok, Tito Mboweni, Dr Zweli Mkhize, Barbara Hogan, Dr Mathews Phosa, Dr Zola Skweyiya and Baleka Mbete, to mention a few.

Business Day columnist Jacob Dlamini (7 February 2009) made an interesting observation: "I have noticed that while people might be angry and impatient with the ANC, they are angrier with Lekota and Shilowa for their rank opportunism. In fact, many of the activists I have spoken to are grateful to COPE for its arrival on the political scene. They say COPE has given the ANC the kick up the backside it has long needed. They say COPE has helped them reconnect with the activists inside them. I have also seen young and old women standing at major intersections around the township, conducting what the ANC calls blitzes."

How is Zuma going to satisfy divergent stakeholders? There is nothing original about this concern. Both Mbeki and Mandela's

presidencies faced it, despite being supported by the same disparate groupings – the Youth and Women’s Leagues, the Congress of South African Trade Unions (COSATU), the South African Communist Party (SACP), and business leaders. But the ANC’s list process and Zuma’s new cabinet proved this concern to be unfounded. Those who offered a simplistic forecast have since indicated that “the left has been left out in the cold”, this after anticipating an ANC takeover by the SACP and COSATU. The ANC is much stronger than it was under Mbeki. The breakaway of the faction that formed COPE eases some of the inherent tensions in the organisation.

No need for alarm

Confounding critics and prophets of doom, South Africans turned up in large numbers at the polls. The Zuma government enjoys the political legitimacy necessary for stability. Counting on the likes of Trevor Manuel, Tokyo Sexwale, Max Sisulu, Pravin Gordhan, Cyril Ramaphosa and Mathews Phosa in his team, there is little doubt that Zuma intends to build on the economic success of the last 15 years of ANC government.

Zuma faces different challenges to those of his predecessors. Mandela’s challenge was nation-building. Mbeki’s contribution was in transformation of the state. The public signature of Zuma’s presidency will be humility, inclusivity and empathy. He has no airs about him and he is less prone to dogmatism. He knows what he does not know and will be willing to invite other perspectives. When asked about his experience in working with Zuma, Douglas Gibson, a former Opposition Chief Whip, described him as a pleasure to work with and “warm, genial, helpful and friendly”, adding: “What a nice human being.”

For his part, Tony Leon boldly pointed out that “life under Jacob Zuma as SA’s president might not be all that bad”. Leon cited United States President Harry Truman and former British Prime Ministers Winston Churchill and John Major as among those who were successful despite their lack of academic qualification. Leon notes: “All these men, like Zuma incidentally, actually were comfortable in their own skin. They were people who knew themselves and their limitations and therefore they were able to make the right judgement calls.” Leon and Gibson seek to encourage Zuma to make the right judgment calls. They are not turning a blind eye to his weaknesses. They simply refuse to be prophets of doom.

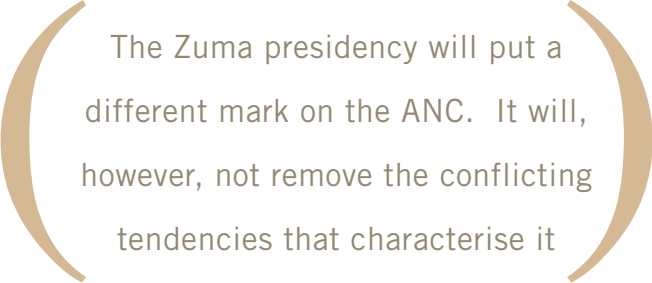
Even before the charges against him were dropped, Zuma had had audiences with some influential world leaders. He was hosted by the British prime minister and French and American presidents, among others. A respected foreign correspondent, Ivan Fallon, sums up Zuma’s European tour thus: “His meetings were heavily oversubscribed, with businessmen and politicians almost standing in line; senior Afrikaners have hailed him as the great hope, not

just for SA, but for the whole region and, in private, talk of him as even better than Nelson Mandela.” In 2008 Time magazine listed him among the world’s 100 most influential leaders. This contrasts sharply with the doom peddled at home.

Despite enjoying unprecedented support from labour and the SACP, Zuma has not bowed to their demands on how the economy should be run. He is likely to lead a capitalist economy, with the substantial support of labour and other stakeholders. It was for this reason that Trevor Manuel, one of the most respected Ministers of Finance in the world, availed himself to serve under him.

The rand strengthened directly after the National Prosecuting Authority announced that it was dropping the charges against Zuma. Recent revelations about the goings on in the prosecution of Zuma have, if anything, highlighted the fact that the Mbeki era, in one sense, was gradually bringing South Africa perilously close to being an authoritarian state. In this regard, Mbeki’s administration arguably constituted a fundamental threat to the democratic ethos that is captured in the Constitution.

Having experienced grinding poverty and deprivation, been undermined and ridiculed for lack of education, Zuma has developed a passion for education, rural development and

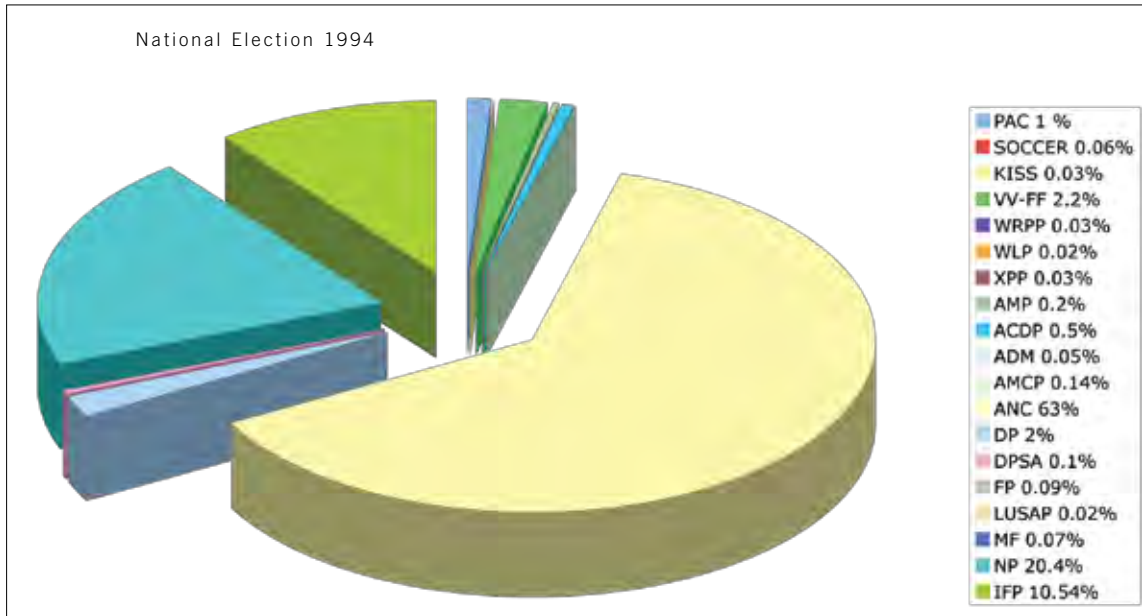


The Zuma presidency will put a different mark on the ANC. It will, however, not remove the conflicting tendencies that characterise it

fighting poverty. He embodies the character needed to create a compassionate and caring society. He will be able to refocus the ANC government to pay attention to those who have not benefited from the dividends of democracy.

The painful lessons of the Mbeki failures have imposed a particular humility within the ANC. The party commits itself to modest ambitions. It has dislodged lofty ideas of being a champion for the transformation of world. It has also reduced the number of priorities that it sets itself for the country. It has focused on crime, health, education, land and rural development – concerns that took a back seat during Mbeki’s reign.

The Zuma presidency will put a different mark on the ANC. It will, however, not remove the conflicting tendencies that characterise it. Entrenching democracy requires eternal vigilance by its disparate groupings.



The shape of elections to come

Is the ANC more vulnerable than it seems? And if it is, from what quarter might the threat emerge?

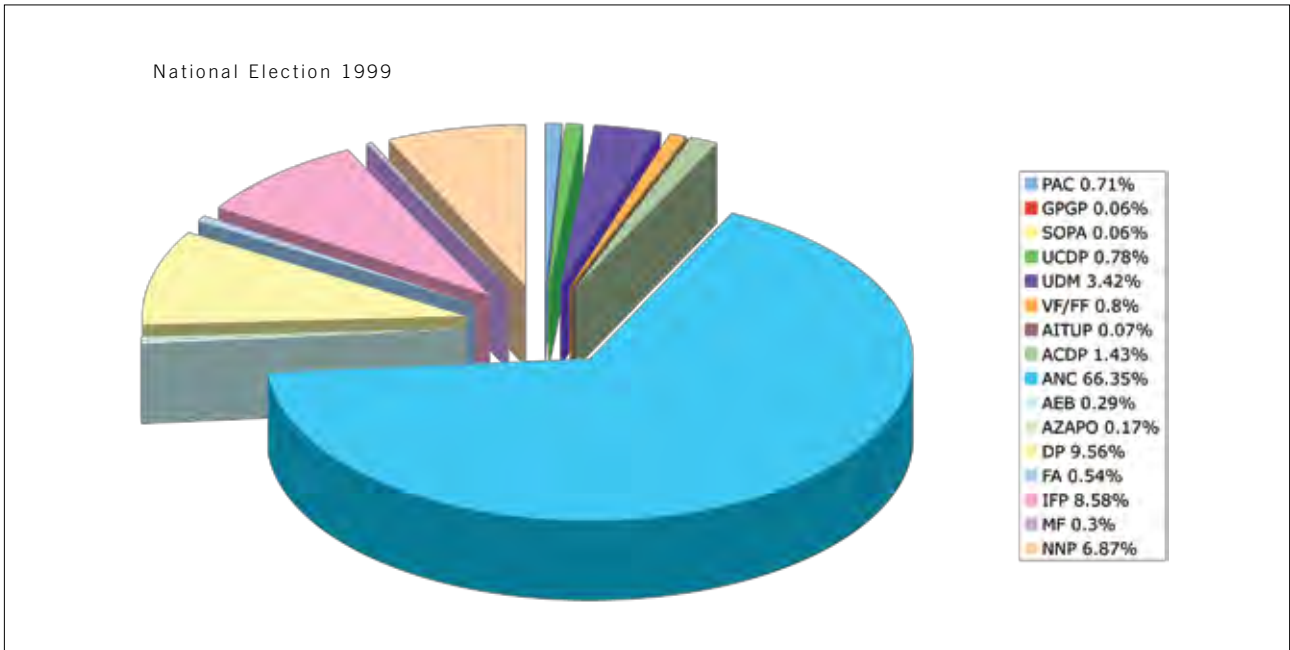
By Aubrey Matshiqi

Once upon a time there was a political party called the National Party (NP). This party was in power for 46 years, until 1994, when the African National Congress (ANC) became the ruling party of South Africa. What is common between the NP and ANC is their shared history of single-party dominance. During the past 61 years of NP and ANC single-party dominance, the official opposition has been minute in size and dismal in its capacity to pose a serious threat to the ruling party.

Before 1994, both the ruling party and the official opposition relied exclusively on the votes of white people, because the right to vote was denied to black citizens. This, in part, is what has shaped voting patterns in this country since 1994. In other words, voting patterns in South Africa are largely shaped by our history of colonialism and apartheid, and their dynamics of inclusion and exclusion have bequeathed to us the post-apartheid reality of a coincidence between race and election results.

While it is true that the identity of the South African voter is complex and multi-dimensional, and that voter choices are influenced by a similarly complex range of considerations, the dominant feature of our electoral politics is the coincidence between election results and race. In this regard, the ANC and the Democratic Alliance (DA) are two sides of the same coin. The ANC is the champion of the majority of the majority, and the DA is the champion of the majority of minorities. The April general election did not change this pattern, despite the assumption by some that the Congress of the People (COPE) would reconfigure this coincidence to the detriment of both the ANC and the DA. This is not to argue that there were no differences between previous elections and the April election. There are four differences worth noting:

- the collective share of opposition parties reversed the downward trend of previous elections, mainly because the DA improved on its 2004 performance;



- for the first time since 1994, a new political party (COPE) succeeded in breaking through the 5% threshold;
- support for the ANC dropped by almost 4% compared to its 2004 result; and
- the gap between sincere and strategic voting increased as voters abandoned smaller parties, as a result of which South Africa may start gravitating towards a three-party system.

Should we conclude from this that this year's election was the most important, competitive or exciting since 1994? Certainly, a lot of heat was generated during the long campaign period, making the 2009 election the most exciting since the advent of democracy. And, yes, it was the most important, given the issues that were put on the national agenda.

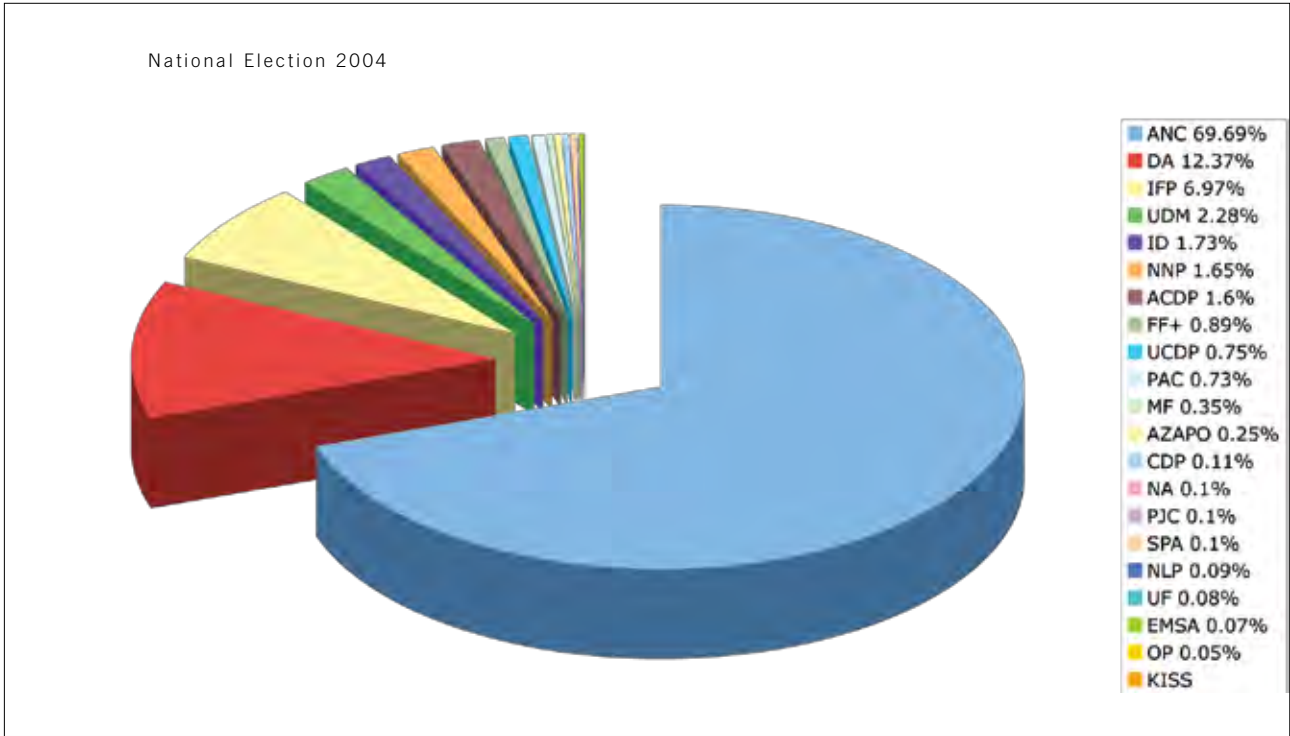
The content of this agenda was determined by the bruising ANC succession battle, whose impact neither society nor the state could avoid. The fact that internal ANC battles reached a point where they seriously threatened institutional certainty and the stability of our democracy gave many an additional understanding of the two-sidedness of the ANC-DA coin. It pointed to the potential dangers of a dance between weak opposition and single-party dominance. To use an alternative metaphor, when the predominant party starts rotting from inside, democratic institutions may be suffocated by the smell, and weak opposition parties may not be able to shield society from asphyxiation.

It is probably the result of a series of accidents that the country was not plunged into a deeper crisis than the abuse of state resources by both sides in the Zuma-Mbeki factional dynamic,

when those deployed in the state started taking sides in what was an internal party matter. While the original sin was committed in the ANC, the weakness of opposition parties, especially the DA, meant that the ANC was never going to suffer adverse electoral consequences for its misdemeanours. This is the context in which the election took place.

The gap between sincere and strategic voting increased as voters abandoned smaller parties, as a result of which South Africa may start gravitating towards a three-party system

The institutionalisation of ANC factions resulted in a split from which COPE was formed, and the formation of COPE gave birth to the hope that the ANC would finally meet its match in the new party. Another way of characterising the pre-election environment is in terms of what some termed the Zuma and COPE factors, and how these factors imposed challenges on the DA and the ANC. It is because of these two factors that some commentators



and sections of the media assumed that COPE would win the second spot in the race for National Assembly seats through a contraction of both the ANC and DA support bases.

As we now know, support for the DA grew, but the growth amounted to more of the same: the DA failed to achieve the goal of winning sizeable support among black voters, but managed to win more support within its traditional minority support base. This assessment is valid notwithstanding the fact that some of the support for the DA among minorities came from coloureds in the Western Cape who had voted ANC in 1999 and 2004. What is worth noting, however, is the fact that the coloured vote of the Western Cape is probably the most pragmatic and strategic in the country. This has implications for ANC and DA election strategists for 2014. However, this should not sidetrack us into forgetting that the DA will still have a mountain to climb in future elections, given the fact that it has reached a ceiling among white voters. This, coupled with the possibility of hitting the ceiling among other minorities in the not too distant future, means that the future growth of the DA will depend on its capacity to attract black voters.

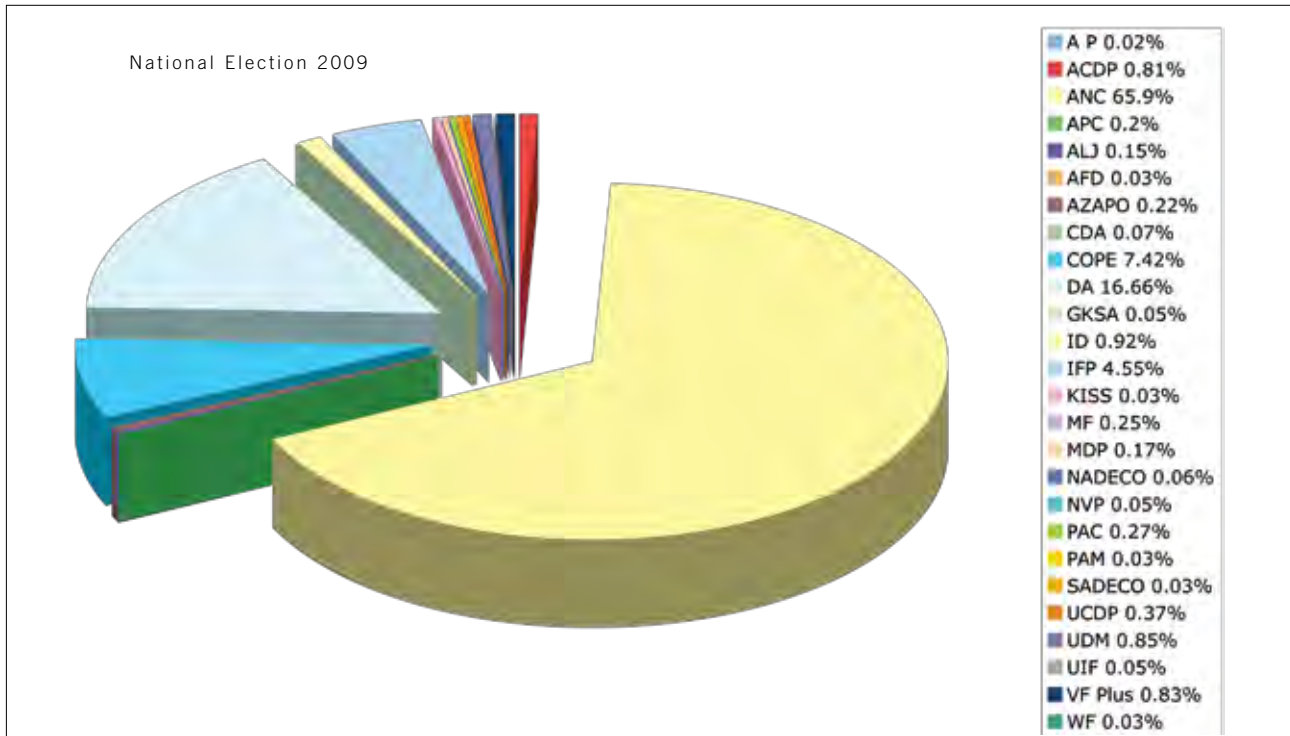
Unfortunately, the DA and its current leader, Helen Zille, do not seem to know how to do this. Zille still argues that black people must prove that they have transcended race, an argument that is not only ahistorical but also unstrategic, because it inverts the relationship between voters and political parties. It is the DA that must prove to black voters that it has transcended race.

It does not matter whether, objectively, the DA is not a racist party of white minority interests. What matters are the perceptions of black voters, and no number of blacks toying around Zille at election rallies will change that if the DA remains inept in how it manages the perceptions of black voters. These perceptions are not going to change when opposition parties accuse the majority who vote ANC of voting with their hearts and not their heads. The subtext is that ANC voters are emotional and irrational, while the majority of whites who vote DA do so because they are rational beings. In short, the subtext is racist, and one does not win votes by insulting the intelligence of the voter.

This approach opens the DA to the accusation that its 'open opportunity society' is one based on a post-racial vision of denial.

Put differently, the DA must stop thinking that it will win the support of black voters on its terms instead of theirs. With COPE breathing down its neck, it cannot afford the luxury of such electoral snobbishness. If COPE consolidates, and does not implode, in it we have an opposition party that may succeed where the DA has failed. COPE has the potential to dislodge the DA as the official opposition of the country, by either breaking or reconfiguring the link between ANC and DA support on the one hand, and race on the other.

In this scenario, the two biggest parties in the country would be those with significant black support. Would this not threaten the reconciliation and nation-building projects and



force minorities to disengage from electoral and democratic processes? This is a possibility, but it may be offset by the emergence of opposition to the ANC which does not polarise the country along racial lines. Furthermore, COPE may succeed in creating a non-racial support base, especially if it successfully exploits generational and class shifts within black communities. Generational pressures may come from the growing distance from the reality of apartheid and the liberation struggle, while the growth of the black middle class will in future occur mainly among young black South Africans whose class orientation may not be that of their parents and grandparents.

In a scenario in which COPE implodes, the DA may benefit from the change in the complexion of liberal politics that may come with these class and generational shifts. On the other hand, there is more of a chance that the DA will grow because of political re-alignment among black voters, and less because of the election of a black person as party leader. But the generational and class realignment may pose a threat to the continued existence of the DA, because it may lead to the emergence of a party with significant black support that is not only able to attract minority voters, but also to attract black voters on the basis of a policy and political platform that is not dissimilar from the liberal roots of the DA.

Where does this leave the ANC?

The ANC will rule until the Second Coming if we go according to the most optimistic of Christian assessments of when this event will happen. In other words, the wait will probably not be as long

as we suspect, since the ANC is faced with three key challenges:

- the possible emergence of an opposition party that will break the coincidence between race and election outcomes;
- the possibility that such a party may result from a split within the tripartite alliance, or of the ANC itself, if attempts to stabilise the party do not succeed; and
- a failure to bridge sufficiently the gap between the procedural and substantive aspects of our democracy, leading to a substantial loss of support among the poor and the working class. If this happens at a time when there is still no credible alternative to the ANC, there will be a massive withdrawal by the poor and the working class from democratic processes. At such a point our democracy will undergo a serious crisis of confidence and legitimacy.

Some of these scenarios take us beyond what may be the lifetime of those who were divided by the bond of apartheid. These are South Africans who struggle to imagine the future of the DA and the ANC beyond the current paradigm. It is possible that this article has missed the point completely. It is possible that to understand our political future we need to free ourselves from imagining this future on the basis of what was bequeathed to us by apartheid social, political and economic relations. We must remember that what we think and do today are a subset of the possible. If what is possible is bigger, better and brighter than the ANC and the DA, we must have the courage to go out and find it.

Interview by Raenette Taijaard



The power of (more than) one

At the start of her first term as Premier of the Western Cape, Democratic Alliance leader Helen Zille surveys a rocky political terrain, but finds in co-operative governance, strategic partnerships and potential coalitions some promising pathways towards furthering her party's objectives

Q: What are your impressions of the State of the Nation debate?

A: The tone was very warm and reconciliatory. I think President Zuma wants to try and get some seamlessness between the Mandela presidency and his own, and present the Thabo Mbeki years as some kind of aberration from the ANC tradition. He is genuinely a very warm and generous man, instinctively. But those attributes don't necessarily translate into a defence of the Constitution or the independence of institutions of state, or the capacity to understand what makes an economy grow and how one best tackles poverty.

There are profound contradictions inherent in what he says. I think he set himself unmeetable targets, especially based on the contradictions in the

different approaches of his various ministers and ministries, and the lack of any obvious coherence or co-ordination between them.

Nothing the President has said or done gives me any comfort that he's [grasped] the heart of the problem, which is lack of capacity to fuel the economic growth that is needed on the skills base we've got, and to ensure that we can absorb more and more people into a productive economy, while generating the resources we need to invest in the infrastructure that will further fuel economic growth.

Q: What will your tone and approach be to the ANC and the other parties in the Western Cape?

A: I don't think that there's only one tone that you should have. Sometimes it has to be very

confrontational, sometimes it can be very conciliatory, depending on the issue and the results you're trying to achieve.

Q: Do you believe the criticism about the composition of your cabinet should be taken seriously?

A: Yes, of course. I've said from the outset that it is a significant challenge, and we are working on it. But I also said it was rich of the ANC, of all parties, to be criticising me on that basis, given its record, in all kinds of ways. I got into trouble for saying precisely which ways.

Q: And your views on COSATU [taking a dispute on it to] NEDLAC [National Economic Development and Labour Council]?

A: It's a political move. COSATU's own track record of advancing women is threadbare, to put it mildly. In all their years of existence they haven't had a woman president. The South African Clothing and Textile Workers Union has a 70% woman membership; the General Secretary, the Deputy Secretary General and the Organising Secretary are male. So it's purely grandstanding.

I do think these are useful discussions, and it's even more useful to say what the real issues are that oppress women in South Africa. That is why I've elevated the issue of women, children and disability to the Premier's Office. The thing that oppresses women most fundamentally in South Africa is that so many become mothers at an incredibly young age without skills or capacity for independence. They are captives of the grant system or an irregular income from a man who often doesn't take his parenting responsibilities seriously. And then they are trapped in a vicious cycle of lack of opportunity, usually for the rest of their lives. That is the biggest, single issue that oppresses women in South Africa, and the sexual, physical and psychological abuse that goes with that.

Q: What are your views on future political realignment, and the logjam that still exists on race?

A: The election results served to re-boost the prospects of coalition governments. There are now quite clearly two banks of the river of South African politics: the ANC and the DA. And I've always characterised the difference as the open opportunity society for all versus the closed crony society for comrades.

I think this election put paid to the ANC's ideal of representing a rainbow nation. We're working very hard on establishing that mantle for ourselves, but I'm aware of how difficult it is to break through the barriers of identity politics.

Coalitions are an important way to go forward with that. We've achieved a lot with the coalition in Cape Town, and we've seen a very strong convergence between the

parties that were in the coalition. I increasingly believe that convergence will increase as the ANC's hate speech and race mobilisation has less and less cogency over time. So the possibility of coalitions is greater than it ever was, and we will certainly work towards them.

Q: How do you see the future of, particularly, DA/COPE relations? And how do you see the picture of coalitions vis-à-vis the overall relationships, including the DA and the other, now much smaller, players?

A: I'd like COPE to have been quite a lot stronger than it is. I was hoping it would be a rapidly stabilising factor. It looks to be far less stable and capable of projecting itself than we had anticipated. In certain areas, COPE is disintegrating and washing back on to the ANC bank of the river. And I think the ANC has a deliberate strategy to get them back.

But that can't last, because the incapacity to deliver on the objectives Jacob Zuma has set himself, and to mobilise behind a key set of priorities without getting deflected from them by a lot of internal political imperatives, are going to cause all the contradictions that led to the establishment of COPE to burst forth again. I think that that will happen more and more, until the magnet of identity politics is less strong than the magnet of issue-based politics.

Q: How do you see the tactical split between coalition politics, creating a break through the racial logjam through proxies, and the other path, which tries to do it alone and solely on the brand identity?

A: It will be both. We've had very courageous black public representatives who've really stood up for us, some coming pretty close to winning wards in particular areas. That shows me that it is possible.

On the other hand, identity politics is still incredibly powerful, as it is everywhere in the world. Certainly coalitions help to take away many of the fears and misconceptions. Anybody who's known my history, and what we have done as a party, will know that we're not wanting to bring back apartheid. But if you listen enough to the MK Military Veterans Association you will think that that is actually our number one policy priority. Through coalitions you move all those misconceptions and fears.

The irony is that the DA is not the party that runs fear politics, it's actually the ANC. We've got no interest at all in driving people asunder on the basis of race. To do that would be to doom ourselves to perpetual opposition. The ANC has every interest in driving fears of the African majority, because if they simply divide us forever on the basis of race, they're always in power. That's where fear politics is coming from and no one must make any mistake about that.

They went around the entire election saying Zille will drive black people in the Western Cape back to the Eastern Cape. Complete and utter nonsense. Many black people believed it.

Q: Referring to the current global financial crisis, one can argue that there's also an ideological logjam in South African politics. What are your views of that perception, and the extent to which the DA's policy platform is grappling with what it would take to build a post-crisis economy for South Africa, leveraging both the market and the state?

A: Firstly, commentators think that policy alternatives inform election choices. They may do for a tiny, tiny percentage of South Africans, but for the most part, they don't. But I think the debate is often far more nuanced and sophisticated than many people think. It is not a market versus state debate. For example, the classic developmental state hinged on the debate about the role of the state and market, and how the state can facilitate market capacity to grow the economy optimally. That is the basic developmental state position.

And the key insight in the developmental state position applied so that it produces results in the form of growth, and skilled people to take advantage of the opportunity of growth. The state understood the priorities, got the brightest and the best in to help leverage it and help facilitate it. And invested hugely in education to match the skills to the growth opportunities. And the state often led by infrastructure development in the key areas where it was needed to lead growth in particular market segments.

That is the kind of debate we should be having in South Africa. What is the role of the state, what is the role of the private sector? We can't seem to get back to that, because the ANC's notion of a developmental state is an incapacitated state deciding which sectors the market must go into and which not. And failing to lead the infrastructure that drives the growth in the critical market sectors that can gain a competitive advantage in all circumstances.

They've completely misunderstood the core philosophy of the developmental state, as far as I understand it. And they keep on letting the goal be displaced by other objectives. The goal does not become what we do to achieve economic growth and development for all, it becomes how much cadre deployment can we do?

Q: Do you think the structural changes at Cabinet level will make a difference?

A: I think we'll have continuous goal displacement unless political favours are met. And I can't see any indication that the contradictions between the central planning ministry and the other agendas driving economic development ministries are

going to be resolved any time soon. They're informed by a different set of ideological assumptions and different notions of what the developmental state does.

Q: The countervailing argument could rely on the Constitution to look at the powers of the President in terms of his overall lead in the executive authority and control over Cabinet, and by association, the link the Minister within the Presidency [Trevor Manuel therefore could potentially have as a *primus inter pares*. Do you see that as playing a role?

A: One has to see whether Trevor Manuel will be able to be a *primus inter pares*, or whether that will be Gwede Mantashe. I think that's actually where the power is, because the ANC sent such a clear message about recalling presidents and redeploying people and doing everything they want to do. The power has shifted profoundly to Luthuli House and that tiny little group of unelected, unaccountable people.

Q: Commentators are saying that you have an opportunity to leverage a different delivery system in the Western Cape. What are your goals and aspirations?

A: The opportunities are very good to the extent that we can make co-operative governance work. In government in the City [before the election] we were blocked every time we required co-operative governance. And we've seen another example, in the attempted transfer of all the province's land to national before we took over here. It was just another method of making it really difficult for us to deliver on key issues, because land is the key resource.

So areas that need co-operative governance, such as housing, planning, public transport, community safety, will take a big leap forward. It takes three or four years to show any results from getting the basics right, but we can get the basics right.

So to get the big, systemic things right, the first thing we did was to get the budget aligned with the City's budget and trim the fat out of it, R426 million worth of various things. Then we start looking at the strategic partnerships. All that has been very exciting. There's lot of potential. Many of the City's outcomes have been achieved through strategic partnerships, and now we can broaden those. Where our strategic partnerships are functional, they are achieving much, much better results than we're achieving on our own.

Q: We've heard very strong signals about co-operative governance, but there seems to be a potential clash of vision between the ANC and DA on this issue. This question, and the clear announcement that there will be a single public service reiterated in the State of the Nation address, are potentially formidable hurdles for an alternative delivery mode to be

demonstrated in the Western Cape. What is the DA's view of these potential different visions? Would the DA litigate about a single public service?

A: The first draft of the single public service legislation was completely unconstitutional. We would definitely have litigated about that. We believe it is a very bad idea. And as it was originally conceptualised, it was clearly designed to make public servants accountable to the centre, and to come close to nullifying the outcome of local elections that went against the ANC. If you can't hold public servants accountable to the local elected politicians, you might as well not win elections.

The second great concern was the lack of capacity in the central state to run most of its own functions, let alone centralise and deploy public servants around the country at will. At least if you have decentralised control, some things can work. With centralised control, very few things will work. I think we will litigate very strongly to protect the constitutional space of spheres of governments and intergovernment co-operation, which we believe in.

We're happy to work towards frameworks that establish key shared objectives. But we'd like the space to interpret those and implement particular strategies to address them within the frameworks that suit our policies. And we're fighting very, very hard for the right to do that. But I don't mean in a hostile sense.

I've said to President Zuma, he must please see the Western Cape as an opportunity, not as a threat. You might not agree with this, but in fact we have a mandate from this province to govern. It doesn't have to be a threat to the ANC nationally, it's an opportunity to test whether or not it can work. Give us a space and give us the chance.

If they go into the debate on co-operative governance on the basis that we're an administrative arm of the central state, then we're going to have our clashes. And then our Constitutional Court is going to have to work out what co-operative governance actually means.

Q: What is the one experience that you have taken from the variety of political roles you have played, that you believe is the most valuable for you in public life?

A: Diagnose the problem precisely before you try to address it. It's so often easy to apply the wrong solutions because you haven't understood the problem properly.



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Interview by Raenette Taljaard

Glimmers of renewal

Democratic Alliance parliamentary leader Athol Trollip takes stock of his new surroundings after ten demanding years in the Eastern Cape, and finds new opportunities for his party to make a difference

Q: You've made your first intervention in Parliament, in the State of the Nation debate. What are your impressions so far?

A: I come from a very small caucus, so I've learnt to say what I want to say in six minutes. To have 20 minutes was a real privilege. To my horror, halfway through the speech I realised that I had more than enough time. I spoke for 16 minutes, which was to the benefit of my colleagues who came thereafter. I was a bit in fast-forward mode for the first ten minutes. But I managed to say what I wanted to say, and I didn't stumble around too much. I enjoyed making first contact with the President, even though it was only eye contact. I enjoyed his response, and that it looked like he was listening.

Q: What are your views of your relationship with both the ANC and the other parties in the fourth democratic Parliament?

A: Quite a curious thing is happening in this Parliament. Even though the DA is the largest opposition party by a long way now, we are not the main centre of focus for the ANC. COPE has become what we used to be. It gives us an opportunity. While COPE and the ANC are hurling abuse at each other they become a smokescreen for us to be able to deliver our message.

The ANC has very significantly not got a two-thirds majority. It has actually started sliding. Votes are what politics is about. It's very difficult to arrest any kind of retrogression. The ANC can only do it if they govern better, and the jury's out on whether they can govern

better. The President's making good noises about making sure that people do what they're supposed to do, but that's a lot easier said than done, especially if you've got people who believe that you owe your existence to their support.

Q: What are your views about longer-term political realignment?

A: The ANC has taken care of the smaller parties. Even the UDM, I think, has been exposed as being a regional party. Also, significantly, with the IFP, Jacob Zuma 'out-Zulu'd the Prince of Zulu'. That is very instructive to me for our political party.

If we're going to become truly a South African party that will lead any kind of realignment initiative, or become more significant than we are already are, we've got to become attractive to all South Africans. For us to grow, we're going to have to extend a hand to the opposition. I think we can extend a hand to COPE, and also to the remnants of the UDM and the IFP. Some people in the IFP will never feel comfortable in the ANC. And I've listened to COPE in Parliament. Some of them are in that party because they're angry, and those angry people might forget why they were angry, and maybe just meander back home. But there are people who know that what they've been doing in the ANC is not going to take the country to where they want to go. Those are the people we're going to talk to, and see if we can't find common ground.

Being anti-ANC will never sustain a successful alternative. I'm not anti-ANC personally; I think the ANC has brought wonderful change to this country. But the longer they stay in power with almost an absolute majority, the more precarious it makes the future of this country. We need to save the country from the ANC.

We might even find some coherence and traction within the ANC. The egg-dance that Jacob Zuma is going to have to perform over the next couple of years is going to please some of the people some of the time, but not all the people.

As we become a more relevant political role player – and this is the ugly part of politics – we actually, for the first time ever, own some patronage, in that we are a government. We've offered all these principles and wonderful positions, but never had any patronage. And government is about having patronage, about being able to implement your policies and ideas. That's what's so unpalatable for the ANC Youth League and the Umkhonto we Sizwe veterans, the fact that we do have that foothold in government now.

Q: Is the DA having further discussions about electoral and party-funding reform?

A: Electoral reform really must be brought on to the front burner, so that public representatives are accountable to people, rather than political masters. But I am very wary of a 100% constituency-based election, because opposition parties would win little pockets, but the ANC would have unfettered power,

and that cannot be good for this country. A hybrid system is probably a good move.

Reforming funding worries us a bit. We believe external political funding needs to be strictly controlled because this country is strategically probably one of the best-situated in the world for foreign manipulation. But within South Africa, fundraising is one of our biggest strengths as a party. We are very concerned that some political parties that can't fundraise, for very obvious reasons, now want to have fundraising almost taken out of the political scenario. If you do that, you disincentivise people from being in touch with civil society. Because if you understand what civil society wants and what their needs are, and also business, then you can go and ask them for money. To simply shut down that avenue of party funding will hamstring us.

Electioneering is a lot easier for the ANC than for opposition parties because they simply utilise the resources of municipalities, provincial legislatures, even Parliament – vehicles, staff members, telephones, faxes, emails.

So they might say that maybe the DA has the edge in fundraising, so they must cut that waterpipe. We're going to be very defensive about our ability to fundraise. We're moving towards establishing the kind of network that Barack Obama developed so successfully in America, where he had civilians making small, regular contributions to the political party. I don't believe that our Constitution will allow the government to simply end party funding. If individuals want to support their party with R10 or R20 a month, you can't stop that.

Q: How do you see the debate on the financial crisis evolving?

A: We've been very sheltered by some very conservative fiscal practices, for which I must give credit to Trevor Manuel and the government. But we were also very fortunate. Economic wisdom is that we should have got rid of exchange controls years ago, and our party has been motivating for that. Thank goodness we didn't, because if we had no exchange controls, I believe the South African banks would have bought the tail end of those phoney bonds in the United States and we would have been in terrible, terrible crisis. So in that respect we were saved by good fortune, not by any strategic economic wisdom.

I'm concerned about the strength of our rand. It's going to hobble our economic prospects of growth over the next few months, and perhaps a year or so. But our economy and currency has weathered an unbelievable storm much better than anyone ever believed. And I think also, the fact that we're in a global recession is going to assist this country.

Much of the skills flight that has hurt us in service delivery is finding itself in a place where they are not welcome. The first people to be asked to leave foreign countries that face recession are contract workers and foreigners, so those people are coming back. Unfortunately, many have lost a lot of the capital they took with them, so they can't really come back. But we must find avenues to get South Africans to come home.

But also, I think we've been culpable as parents in telling our children to study and be internationally mobile, so that if things get bad here they can go somewhere else. We've also been guilty of steering our children away from the kind of jobs or professions that make a country work. We need to encourage the best students to become teachers, scientists, nurses, doctors, plumbers, boilermakers, tool and die makers, police, telecommunications specialists – the kind of jobs that this country and this continent need so badly.

I think this recession has reigned us back to say, whoa, the pastures are not greener on the other side. Our continent and our country have still got so much scope for development.

But it's all well and good saying "come back"; then they must be accommodated in vacant positions. I was very encouraged last year when a child of one of my friends, who grew up in the farming community I came from, applied for a job in the Department of Agriculture and Land Affairs. That was something that those kind of people just never did before; the thought of going to work for government was just incomprehensible. When they didn't get any response, I wrote to the department, saying these are the kind of people we need in this country. He wants to become a land surveyor. And they wrote back, and he's got a full bursary.

That kid will become committed to this country. He has to work for the department. He won't have the chip on his shoulder about being a young, white South African male who's not going to get a job in the South African civil service. That has already changed my way of thinking.

I think we are on the verge of a period of renewal. Even the ANC has realised that they can't do this alone, that all South Africans have to put their shoulder to the wheel.

Q: Are you suggesting that you expect therefore a more tolerant ANC, and a better parliamentary oversight role for the house, or is this too far a leap?

A: It's too far removed just yet. I've made some comments about Jacob Zuma's olive branch, but really, I have seen no olive branch. He gave a few olive leaves to Pieter Mulder and Themba Godi, but that was just an effort to co-opt those two political parties. I think the ANC is listening to us a bit more, because COPE is a smokescreen for us. But I don't believe it is ready to co-operate with the DA, especially in that we committed the cardinal sin of winning the Western Cape.

I'm not overly optimistic, neither am I pessimistic. We are possibly on the verge of renewal because of the recession and on the 'need to' basis, not because the ANC wants to.

Q: Do you think ANC MPs will have a different oversight approach under the Zuma presidency than during the Mbeki-era?

A: I don't think so. I think any zealotry in the ANC about oversight is still part of the post-Polokwane hangover. It's still about score-settling. I don't believe it's a genuine effort to make sure that we use every taxpayer rand efficiently and effectively. I don't think we've got there yet.

But who knows? If the two commissions that focus on planning and performance evaluation and management do what they say they're going to do, then maybe we are going into an era of better oversight. But the Public Finance Management Act is nearly ten years old – a wonderful piece of legislation, all performance related, but it has never been implemented to the letter. If it had been, half the directors-general would have been gone by now.

But the ANC never wants to act on its own because it comes at a political cost, an opportunity cost. If you fire comrades who don't work, at the next conference they'll hold it against you. I wonder whether Jacob Zuma has got the gumption to grab the bull by the horns. If he feels more secure in his position over the next year or so, he might be able to do that.

I've been saying to my caucus that I want them to look at South Africa, at this Parliament, even, as a glass half full, and not a glass half empty. So I'm prepared, as a new boy especially, to give the benefit of the doubt to this Parliament.

Q: You've had very specific experience in the Eastern Cape, the poorest province in the country, where you served, among other things, on the Standing Committee on Public Accounts. What are the insights and experiences that you hope to bring to the national stage?

A: I don't think I can give you one positive example of political or administrative success for my province, sadly. I felt for ten years that all I ever did was put out fires. The one thing I learnt and drew a lot of strength from was Ubuntu – even though I was a member of the opposition, I never experienced a closed door with the ANC government.

The ANC had just a disgusting, gross majority – and that's incidentally why it is the worst-run province. But I learnt that if you interact continuously and work hard at portfolio committee level, and do your homework, and have meaningful impact, the ANC recognises that. They won't give you credit in a plenary session, because it's not in their interest. But if you are prepared to work hard and build relationships in a portfolio committee, you can basically write the policies for the future of this country.

So I'm going to encourage the spokespersons and deputy spokespersons in our party to become points of reference. They must know what their topic is about, they must build social and civil networks so that they speak from an informed basis. Government needs help; the ANC needs help. Behind closed doors, if you show that you've got the interests of this country at heart, they will listen to you and you can make a difference.



The task is to govern

Convinced that COPE was formed at the right historical moment to fulfil a vital role, the party's president, Mosiuoa Lekota, has set his sights on attracting the skills that will help the party do just that

Q: What are your views on COPE's performance during the election campaign and what it may signal for the future?

A: There's a very big sense among South Africans that we need a viable nationwide opposition to counterbalance the ruling party. I think that arises from the fact that many of the promises of democracy that all of us, black and white, cherished when we came to democracy have eluded us.

I think people feel that insufficient focus has been placed on realising those objectives, and therefore you need an alternative formation that might present the capacity to deal with that challenge, and in the intervening period be able to apply sufficient pressure on the ruling party to compel it to focus on these issues.

During the election campaign that sense of need was very, very strong. Nevertheless, I think COPE took some steps that undermined the even bigger impact that we could have made. But given the fact that we formed the party very close to the elections, drawing so many disparate elements from various political formations already in existence, and from non-political backgrounds, mistakes and miscalculations were bound to happen.

Overall, though, to have been able to return 37 members to Parliament, and emerge as the second-strongest party in five provinces, is significant. So I'm very inspired by the realisation that we took this step at a time when the conditions were ripe.

It remains our challenge to continue to build the party so that it can systematically present alternatives that will persuade even those that have barely heard the name COPE to ask what it is and what it is capable of doing. So at present we are working hard to define COPE, as well as to educate our members and supporters, and potential supporters, about what COPE is, as opposed to the ruling party and other parties.



Photo © Masimba Sasa /PictureNET Africa

It is very important to underline that COPE is a post-liberation, modern political party, and to understand its historical foundations. Commentators said that COPE was formed as a matter of personal disgruntlement. I think there is a far more profound historical reason why COPE had to come to pass. Liberation organisations, on the day that democracy is achieved, have essentially achieved their historic mission. From that point onwards, the country needs an organisation geared towards governing. There's a world of difference between fighting for freedom and governing.

Even the human and other resources you need are different. And while the parties of liberation may be concerned with rewarding loyalties of the years of struggle for freedom, the expectations of the people on the day that freedom comes are that there will be better governance, collection of taxes, and systematic and frugal management of those resources, and their application to the needs and interests of the people.

People don't live in history. They live today and tomorrow. COPE is important because we now need an organisation that amasses capable and highly trained men and women, who will manage the resources of the nation in such a way that they don't go to waste – who understand the urgency of the task of eliminating homelessness, of productive investments that will bring returns – rather than locating people in positions of power purely because they want to be rewarded for their years in exile or prison or the underground. COPE must focus

on showing itself to understand that the task now is to govern, and not to reward the loyalties of yesterday.

Q: How does one manage the birthing pains that building a new party is clearly entailing? How do you plan to address the perceptions that are emerging around the Grindrod memo, in particular, that there's a malaise in COPE, that it has somehow lost its momentum?

A: This perception, first of all, is misplaced. When we formed COPE in December last year we had no time to set up party structures. Under normal circumstances a party would set up branches and structures, and then go into an election campaign with a well-oiled machinery of organisation. We had to set that aside, because the more urgent task was to focus on the elections. So we relied on structures that came up spontaneously, what was immediately available.

Our thinking was that after the elections, we would have sufficient time to set up branches which would democratically elect their leaders, and we would then proceed to develop provincial structures. Those structures would then move towards a national conference, which for the first time would elect the national leadership. So we are still in our formative stages.

After the election the vibrancy dims somewhat, and the impression may well be that COPE has died. No. It's simply that the main actions have shifted from broad society back

to the corridors of power; and people of course return to their regular work.

When I look at the volume of men and women who continue to volunteer, it is quite clear to me that people's enthusiasm for COPE is not artificial. The test is to manage COPE'S image in such a way that we direct it towards the positive building of the party, and at the same time we have to keep the organisation in the face of the nation, so that we don't entirely lose the attention of people who are reflecting on the problems the country is faced with.

Q: I think it was expected prior to the election that you would be publicly leading the party, and not only the face on the ballot paper. And subsequently there are concerns about whether COPE will avoid the kind of leadership contestations seen in the ANC succession struggle. These are two very different political parties, obviously, but politics is about individuals when it comes to leadership. So what questions are on the table for COPE with respect to leadership, beyond the democratic structures, which also play a part in the process?

A: To set up an organisation is a full-time task. If you go into Parliament it's a full-time task. So if we didn't devote some portion of our leadership to the task of setting up the organisation I don't think we could make the kind of progress we need to make between now and 2011. So that was very important.

Secondly, because we are a political party in a society that has a political culture, it is impossible that we should not be impacted upon by that culture. If you take into account the large numbers of people that have come to COPE from the realms of the ruling party, the union movement, the civics and so on, these kinds of things will happen.

I'm not alarmed by that. What is important is the extent to which we will be able to manage it. Sometimes contradiction, properly managed, is actually very helpful to give importance to advancing issues.

Undoubtedly we will stumble along the way, but I work inside the party all the time now, and I'm convinced that we are doing very, very well. I'm very happy doing what I'm doing now because it's much more relaxed and I can take time to reflect. I don't think I would have been more useful to the party if I had chosen to go to Parliament.

I think it would be good if we attracted bigger numbers of very capable men and women into the ranks of COPE – positive competition to produce the best of leaders. If you don't lead with your best you can only be mediocre, and you can only fail yourself.

I hope that COPE can attract many people from the whole spectrum of life. But it's very important to attract men and women who bring forward talent and capacity, whether it's in public service – people who will be excellent, highly trained public servants, or in politics – thinkers of outstanding ability. This is the kind of thing I hope COPE might deliver to the people of our country.

Q: In the State of the Nation debate it was interesting to observe the ANC paying a lot more attention to COPE than to the DA and other opposition parties. How do you see the relationships in Parliament panning out between COPE and the ANC, and COPE and the opposition parties, largely the DA?

A: I think that COPE is the party of the future. It can only grow. My sense is that many of the opposition parties are either very regionally based, or maybe one can say racially based.

They've got a major limitation of not being able to become nationally based parties, as a consequence of which I think that we will probably see more and more people drift, maybe slowly at the beginning but in bigger numbers later, towards COPE. They will see the potential of an effective opposition.

For that to happen, I think it will be to the extent to which the policy positions COPE takes are sufficiently wide to attract as many people as possible and make them feel comfortable.

We have to keep in mind that very many people in the ruling party vote out of loyalty to history, and it's very difficult to break away from the bonds of history. I had to grapple with that quite a lot. But increasingly the challenge of today and tomorrow weighed heavily on me, and compelled me to think, not of how good the old days were, but how terrible it would be if we didn't begin to work in such a way as to build the potential for a better future. I felt that as the ruling party we were not prioritising that sufficiently.

I think that will happen to more and more people as we move into the future, because those with the bonds of the past are becoming less and less every day. But those who arise today, for whom the future is more important than yesterday, are increasing every day.



Q: Does COPE have a policy platform that has grappled adequately with the relationship between market and state in this new, complex global environment of the financial crisis?

A: I don't think that we have as yet sufficiently done that. At the moment we are setting up and attracting lots of people – academics, people in the business world, in agriculture, in all of these areas – and I keep saying that we need all of these people to support COPE.

When you talk about support, people think about money. But we need human resources that will be helpful in shaping and refining policy first and foremost, to understand the dynamics of a society such as this, and the place of South Africa in the international economy. To be able to make interventions at home, in the region, in the continent and beyond, we require the best minds to fashion such policies.

In the course of that, we should be able to identify men and women who, having been participants in shaping these policies, would be willing to make themselves available to serve under COPE's flag as implementers of such policies.

Candidates must not go on to the list on the basis of popularity, because they spent so many years in jail. They must be there on the basis of the capacity and know-how they can bring to bear in the best interests of the country, and therefore make it possible for us to impact on the lives of citizens of this country in a manner that will fulfil those hopes that, through

the years of struggle, we dreamt and spoke about. We've got to turn them into reality, and how? What better tools than the best-trained minds and skills among your people?

Q: When do you anticipate having your first formal congress?

A: At the beginning we felt we could do it just as soon as the elections were over. But the hard reality is different. You need to set up branches democratically. You have to elect from the ground, systematically, until you get to the provincial level. Simultaneously you must work on refining the policy positions.

This week we adopted what we consider to be the most advanced draft constitution for the organisation, which, in itself, can ultimately only be adopted by the conference. But we have a working document now that we think can guide our comrades in the provinces and branches.

How long this process will take is not quite clear. Because the country holds an election once every five years, it is very important that we should try to locate our national conference to co-ordinate with those elections. If we were to hold a conference this year, we would elect the leadership, but when we get to the elections it will be left with a few months before it completes its term of office. We have to reflect on that as well.

So we will give an indication at some future point. I don't think any of us at present can say with certainty when we will hold the conference.

Leading a Parliamentary Team in a vibrant democracy

COPE Parliamentary Leader Dr Mvume Dandala aims to build a better understanding of opposition politics

Q: COPE's entry into the National Assembly has caused questions, broadly, in the opposition about whether the ANC would treat COPE as the official opposition, or treat the existing official opposition, the DA, as the official opposition? What have your experiences and impressions been so far, since you've been in the National Assembly?

A: I have noticed that there is quite a real sense of hostility towards the Congress of the People from the African National Congress. I suspect that in their minds they understand that COPE has as its primary market of ideas the larger population. And therefore I think they realise that if there's any one party that has a chance to transcend being opposition and truly become an alternative government, it is COPE. And I suspect that they would like to snuff that little flame out right at the beginning. And I suspect that that is the source of the hostility.

Q: And your plans for leading your own team in Parliament – what are your views and your long-term strategic objectives for COPE in the National Assembly? What would like to achieve with your team of 30 brand new MPs?

A: The first thing is that, as opposition, we have a

responsibility to ensure that ordinary South Africans can have their voices and their situations presented meaningfully in Parliament. My own sense is that opposition politics has been a bit distant from ordinary South Africans, and therefore has sounded more academic than anything else.

Therefore COPE has to work very closely with all levels of its governance, starting from local government, to provincial and up to national government. And we must have a seamless way of ensuring that ordinary people's views and experiences can be articulated at every level of the government of this country.

I think that if we succeed in that, it will make people realise that opposition politics is not just academic, neither is it just a question of the pursuit of power. It is rather an avenue for ordinary people to articulate what they feel about the way they are governed, about the shortcomings of the government of the day. And that still needs to be introduced to the democracy, the body politic, of South Africa.

Q: Beyond the election – where COPE has had its successes; it's the official opposition in five provinces – how do you see the evolution of its path as a party?



We're in a context where there's been a lot of controversy in the wake of the Grindrod memorandum; there's been a lot of relatively negative publicity in the past two weeks. How do you ensure that COPE is still seen as a viable political party, not just a party that was a one-hit wonder during the election, which is what the critics are saying?

A: It's very crucial that, number one, COPE goes on now to set up the kinds of structures that it has not had an opportunity to set up properly. We still have entrance structures in our organisation. I'm not saying that they must be replaced immediately, but COPE has to ensure that there is a system. That is the biggest challenge that we are facing, that we are trying to work at in our membership.

We need a system by which all our members will have an understanding of the processes by which the organisation has been strengthened – what will be done, and when? And, frankly, I think that that's all there is to it. It's a question of just saying to our people, if there are any things that need to be corrected, it is we who will correct those things.

Nonetheless one cannot celebrate the fact that we have been receiving such negative coverage, and, to an extent, the onus is on us to find ways to turn that around. But having said that, I also realise that many people are celebrating as COPE is

going through those storms. And they will try to do all they can to keep the storms going.

But I have every confidence that we are going to go through this into normality, and I think we are beginning to do just that. The other crucial thing for us at this point is the extent to which we are also being forced to lose a bit of confidence in ourselves by all these things. Really, all we need to do now is to focus on the major issues that our people have mandated us to focus on, and as we begin to do that more meaningfully I have no doubt at all in my mind that these storms [will turn out to be] just temporary.

Q: Switching to the policy front, a lot of the changes in the structure of government after this election really also relate to very important undercurrents in the arenas of policy, particularly economic policy. How do you see that debate evolving between COPE and the ANC? Do you see there being a productive exchange of ideas, or it is going to be a difficult policy discourse?

A: We are going to have to face up to some very crucial issues. For instance, we don't know yet what the National Planning Commission has in mind in terms of the planning of the country's economy. There is also the establishment of the



Department of Economic Development. These things raise questions. But the biggest concern that we want to be on the lookout for as COPE is that economic planning does not become the centralisation of economic planning. What we think is most important is that economic planning should actually focus on how to make the citizens of this country more capable of making the innovations they should make for the strengthening of the economy. You don't strengthen the economy just by planning and then telling everybody what to do, you empower the citizens. I think that is the central factor that we are going to be watching in the evolution of economic thinking in the new government: is it empowering people to be the drivers of the economy, or are the people just going by reluctant votes in what the government has planned? Which, for us, would be the wrong way to approach it. And then, of course, we've already seen that there are formations that would like to exert pressure on how the government will plan the way forward. When you see the pressure under which the Governor of the Reserve Bank has been put recently on the questions of inflation targeting and so on, you actually have to say that we've got to decide, once and for all, as a country, do we have an independent Reserve Bank, or are we going to allow political interests to be the determining factor of how we plan our economy? I don't think that's what South Africans want.

Q: We have noticed in recent weeks a very interesting phenomenon with respect, particularly, to trade union leaders invoking the authority of Polokwane resolutions over ministers. Do you see this as a problematic trend?

A: We think that this is a problematic trend. Of course the elected members and the government have a responsibility to the mandates that they're a party to. But the Executive constitutionally has a sense of independence in how it should drive the direction of the country, while being accountable to Parliament. It then becomes very dangerous when a party will not call the Executive to order through its elected members, because that's what Parliament is about.

Effectively, what we are beginning to see is a situation where parties will want to behave as though they are Parliament, and I don't think that this is right for the future of our country.

Q: There have been observations about leadership tensions in COPE. To what extent are those real tensions, and to what extent are those tensions being managed effectively in COPE, in your view?

A: First and foremost, I sincerely don't understand where this

thing comes from. There are no leadership tensions within COPE. We have all consistently affirmed, for instance, that there's one leader of the party: Mr Mosiuoa Lekota. What the organisation decided was that I would lead the parliamentary team. That in no way means that I am being positioned to substitute for or to replace Mr Lekota in any form or shape.

Why is this such a critical issue for COPE when other parties are doing exactly the same thing? For us, people perceive it as contestation for power. Now I really would like to dismiss this, because there is no struggle or competition for power. We know who the leader of the party is, we know who the party has set as the leader of its parliamentary team, we know the Deputy President that the President works with in leading the party.

So as far as COPE is concerned, frankly and truly this is not an issue at all. If, on the other hand, people are saying people should never discuss the issues of leadership, and I'm talking about the general membership now, I don't know where people get these stories. We'd want to ask, where in a democracy can you have a situation where people do not talk about that? As a matter of fact, it says to me people are recognising that there is so much talent in COPE that the logic of the presence of that talent must be contestation for power. That, in my mind, is in people's minds. It is not a fact.

Q: In relation to the human dimension of becoming an MP, what have been your experiences?

A: I am overwhelmed by the sense of responsibility that being a Member of Parliament carries. I think that if anybody who is an MP does not have that sense, then that person is not worthy of being an MP. You become very conscious of the expectations of the people, particularly when you are in the opposition. At the same time, you're also very conscious of the fact that what we do today has a bearing on what sort of democracy we will have in the future.

You come into a situation where some people think that politics is only about shouting at each other, and fail to appreciate that it's about struggling with issues, not always with the intention of taking the other person down a peg to two, but for the purpose of ensuring that there is greater clarity about the way the country is led and managed.

So if, like me, you are new, you have to apply your mind constantly. But the other thing that one has to acquaint oneself with is the fact that there are all kinds of different expectations. The media have their own expectations, and so on. And you've got to finally decide: what do I do here? How do I find my own tempo, which is not the tempo set by anybody else, but a tempo that will assist me in fulfilling what my obligations are here? So, ja, it is a learning curve, but a very welcome learning curve..



AP Photo/Nic Bothma, Pool

By President Jacob Zuma

Promise made of new chapter in relations between govt and opposition

Address by Honourable Mr Jacob Zuma on his election as President-Elect of the Republic of South Africa, National Assembly, Cape Town, May 6 2009

Honourable Speaker and Deputy Speaker,
Honourable President of the Republic of South Africa,

Honourable Members,
Distinguished guests,
Ladies and gentlemen,

I stand before this House and the nation overwhelmed by the responsibility that is being thrust upon my shoulders.

I am truly humbled by the opportunity to serve as the fourth President of the democratic Republic of South Africa.

South Africa is a remarkable country with very special people. We normally get caught up in our day-to-day challenges and forget to appreciate this fact. We made

history in the world in 1994 when together we discarded our tragic past, and opted for a future of harmony, peace and stability.

We elected our first President, our icon Nelson Rolihlahla Mandela, whom we all love dearly. Madiba taught us the importance of forgiveness, reconciliation and humility.

He made us walk tall and feel proud to be South Africans.

As President of the Republic, I will do my best to lead the country towards the realisation of Madiba's vision of a truly non-sexist, non-racial South Africa, united in its diversity.

With the support of my organisation the ANC, as well as all South Africans, I hope to lead the country on a path of

friendship, cooperation, harmony, unity and faster change.

Honourable Members, we have just emerged from very vibrant elections.

The Independent Electoral Commission, which can always be relied upon to deliver free and fair elections, rose to the occasion.

The millions of South African voters made us, their public representatives, the custodians of their hopes and dreams.

The next five years will depend on us as public representatives to serve them with dignity and respect and to maintain the decorum of Parliament, which is the face of our democracy.

Our people have high expectations. As the Executive, we will do our best to be more hands-on, more accessible and to deliver on our commitments.

We also intend to start a new chapter in relations between Government and the Opposition. We reiterate that it should be possible to work with Opposition parties on issues that are in the national interest.

While appreciating a robust Opposition, we also trust that we will be able to move slightly away from the dogmatic approach, which turns every issue into a contentious one.

On the side of the Executive, we will also need to try to avoid being over-defensive, and not view all criticism from the Opposition in a negative light.

We can surely be able to build a working relationship that emphasizes oversight, while also allowing cooperation where necessary.

Honourable members, it is going to be a busy five years. We have deliberately given ourselves five priorities to focus on which will make us more effective in implementation.

As you are aware we will focus on education, health, land reform and rural development, the fight against crime as well as creating decent work. We are determined to leave an indelible mark in these five areas.

Our most immediate priority is to respond decisively to the challenges posed by the global economic downturn.

We must move quickly to implement the framework agreed by government, business and labour to protect jobs and boost the economy.

It is my fervent hope that our public servants heard our campaign message and understand that it shall not be business as usual. We expect hard work and utmost dedication.

Honourable Members, allow me to point out that it was quite a moving moment for me to be sworn in again as a Member of Parliament, even though my membership was just for a few hours.

I have a special relationship with Parliament, especially this House.

I have sat in various sections and now know every corner of the House.

In 1994 I used to sit in the cross-benches as an NCOP KwaZulu-Natal representative, when I was still MEC for Economic Affairs and Tourism. In 1999 I moved to the front benches as Deputy President of the Republic.

Members who were part of the last Parliament will confirm that I was a very well behaved Member. I attended sessions and presented myself timeously for the fortnightly Deputy President's question time.

I dutifully answered all questions, amid occasional heckling from the Opposition benches.

Honourable Members who would not let me rest and kept me very busy with questions included the Honourable Koos van der Merwe and Velaphi Ndlovu of the IFP, Pieter Mulder of FF Plus and the Honourable Cherilyne Dudley of the ACDP.

I was also a proud recipient of little notes from Honourable Members from various political parties, usually gossiping about each other, which I have kept very safely at home.

I left rather unceremoniously on the 14th of June 2005, without an opportunity to say goodbye to all my friends. However, Members will recall that I continued to visit, now sitting in the public gallery during the opening of Parliament and other occasions.

However, despite all this dedication, I automatically lose my seat on being elected President! I am therefore considering running for honorary life membership! I am sure that even the DA would support such a motion!

Honourable Members, let me use this opportunity to congratulate our new Presiding Officers, and wish them well on their appointments.

We also recognise the contribution of all our former Presiding Officers.

We must also acknowledge and thank the outgoing Cabinet for their good service. I will not dwell too much on the matter of Cabinet, Honourable Speaker. I understand the anxiety.

I intend to have my Cabinet assume office by the 11th of May, so that we can get down to business. I have gained immensely from the wisdom of the top five ANC officials whom I have consulted on the matter.

I should be able to produce a team that will work very hard, and with the necessary speed. We mean business when we talk about faster change.

The new team will build on the work of the Cabinet of my long-time friend, comrade and brother, the outgoing President of the Republic, Comrade Kgalema Motlanthe.

On behalf of all South Africans, let me extend our sincerest gratitude to President Motlanthe for his service to the nation. He has acquitted himself well, and has definitely been equal to the task.

Honourable Members, I also wish to reiterate our appreciation to all South Africans for participating actively in the elections. We must emphasise that the responsibility of voters did not end at the polling stations.

Working together we must now do much more to build a better South Africa.

I wish all Honourable Members an enjoyable, successful and fruitful stay in Parliament.

I thank you all for your confidence in me and in the ANC.

Inauguration Speech

Address by His Excellency Mr Jacob Zuma on the occasion of his inauguration as fourth President of the Republic of South Africa

Your Majesties,
 Your Royal Highnesses,
 Your Excellencies Heads of State and Government and Leaders and Members of delegations,
 Chairpersons of the African Union and the African Commission,
 Esteemed Members of the Order of Mapungubwe, our icon the Hon Nelson Mandela, and the Hon Thabo Mbeki,
 Your Excellencies, Ambassadors and High Commissioners
 Speaker of the National Assembly, Max Sisulu,
 Chief Justice, Pius Langa,
 Members of the Diplomatic corps,
 Mama Albertina Sisulu and all veterans of our struggle,
 Distinguished guests, ladies and gentlemen,
 On this day, a decade and a half ago, Nelson Rolihlahla Mandela was formally elected as the first President of a democratic South Africa.

At that moment a new nation was born, a nation founded on the fundamental principles of human dignity and equal rights for all.

A nation founded on the promise that never, never and never again would this land experience the oppression of one by another.

Today, a decade and a half later, we gather here to reaffirm the promise of that great day.

We gather here determined to renew that most solemn undertaking, to build a society in which all people are freed from the shackles of discrimination, exploitation, want and disease.

We gather here determined that the struggles and sacrifices of our people over many decades shall not be in vain.

Instead, they shall inspire us to complete the task for which so much blood was shed, and so much hardship endured. This is a moment of renewal.

When Madiba took the oath of office on the 10th of May 1994, it was one of the greatest historic moments of our country, Africa and the African diaspora.

Madiba healed our wounds and established the rainbow nation very firmly.

He set us on the path of nation building and prosperity and made us a respected member of the world community of nations. He taught us that all South Africans have equal claim to this country, and that there can be no lasting peace unless all of us, black and white, learned to live together in harmony and peace.

He made reconciliation the central theme of his term of office.

We will not deviate from that nation-building task. Thank you Madiba, for showing us the way.

I would also like to acknowledge the former second Deputy President of the democratic republic, the Hon FW de Klerk, who worked with Madiba in the resolution of the apartheid conflict, and participated in shaping a new South Africa.

Your Excellencies, Ladies and gentlemen,

In June 1999, former President Mbeki came to this very podium to take the oath of office, as the second President of the Republic. He took the country forward as a true statesman.

He made a remarkable contribution towards strengthening our democracy, and laid a firm foundation for economic growth and development.



A.P. Photo/Steve Crisp-Pool

He made our country an integral part of the continent and worked tirelessly for an African rebirth. Through his leadership, South Africa's stature grew in the continent and globally.

In his last address to the nation as Head of State in September last year, he demonstrated his patriotism, and put the interests of the country above his personal interests.

Thank you Zizi for demonstrating a character that the ANC had always embodied since 1912.

Your Excellencies, ladies and gentleman, the nation is equally indebted to my friend, comrade and brother, President Kgalema Motlanthe.

He came into office during a period of great anxiety, and

brought about calm, stability and certainty. He has led us in a very capable manner and the transition has become remarkably smooth and well managed.

On behalf of the nation, let me express our sincerest gratitude to President Motlanthe for patriotic service to the nation. Motlanthe! Bakone! Mmadiboka, seboka, dikgomo lebatho!

Today, as I take this solemn Oath of Office as the Fourth President of the Republic of South Africa, I do so deeply conscious of the responsibilities that you, the people of our country are entrusting in me.

I commit myself to the service of our nation with dedication, commitment, discipline, integrity, hard work and passion.



Photo: Elizabeth Sejake



President Jacob Zuma with his eldest wife Sizakele Khumalo at the inauguration at the Union Buildings

There is a lot to be done. More than 11,6 million South Africans voted for the ANC, based on the programme put before them.

We are now called upon to implement our Manifesto. The dreams and hopes of all the people of our country must be fulfilled. There is no place for complacency, no place for cynicism, no place for excuses.

Everything we do must contribute in a direct and meaningful way to the improvement of the lives of our people.

Your Majesties, Your Royal Highnesses, Your Excellencies,

We make a commitment here and now, before the eyes of the world, that:

For as long as there are South Africans who die from preventable disease;

For as long as there are workers who struggle to feed their families;

For as long as there are communities without clean water, decent shelter or proper sanitation;

For as long as there are rural dwellers unable to make a decent living from the land on which they live;

For as long as there are women who are subjected to discrimination, exploitation or abuse;

For as long as there are children who do not have the means nor the opportunity to receive a decent education;

For as long as there are people who are unable to find work, we shall not rest, and we dare not falter.

As we apply ourselves to these and other tasks, we must acknowledge that we find ourselves in difficult economic times.

Jobs are being lost in every economy across the world. We will not be spared the negative impact, and are beginning to feel the pinch.

However, the foundations of our economy are strong and we will need to continue to build on them.

This will require more hard work than ever before.

To achieve all our goals, we must hold ourselves to the highest standards of service, probity and integrity. Together we must build a society that prizes excellence and rewards effort, which shuns laziness and incompetence.

We must build a society that draws on the capabilities, energy and promise of all its people.

Fellow South Africans, this is indeed a moment of renewal.

It is an opportunity to rediscover, that which binds us together as a nation.

The unity of our nation should be a priority for all sectors of our society.

We are a people of vastly different experiences, of divergent interests, with widely different views.

Yet we share a common desire for a better life, and to live in peace and harmony.

We share a common conviction that never shall we return to a time of division and strife.

From this common purpose we must forge a partnership for



Photo: Elizabeth Sejake

The presidential inauguration at the Union Building Pretoria



AP Photo/Steve Crisp-Pool

Jacob Zuma takes the oath of office to become South Africa's President at the Union Buildings in Pretoria, in front of Chief Justice Pius Langa, left.

reconstruction, development and progress. In this partnership there is a place for all South Africans, black and white.

It is a partnership founded on principles of mutual respect and the unfettered expression of different views. We do not seek conformity.

We seek a vibrant, dynamic partnership that is enriched by democratic debate that values diverse views and accommodates dissent.

Therefore, we need to make real the fundamental right of all South Africans to freely express themselves, to protest, to organise, and to practise their faith.

We must defend the freedom of the media, as we seek to promote within it a greater diversity of voices and perspectives.

We must deepen the practice of participatory democracy in all spheres of public life.

We must strengthen the democratic institutions of state, and continually enhance their capacity to serve the people.

We must safeguard the independence and integrity of those institutions tasked with the defence of democracy, and that must act as a check on the abuse of power.

Compatriots, today, we enter a new era in the history of our nation, imbued with a resolve to do everything within our means to build a better life for all our people.

Today, we renew our struggle to forge a nation that is at peace with itself and the world.

As we rejoice in being surrounded by our friends from all

over the world, we reiterate our gratitude for the sterling contribution of the international community to our struggle for freedom.

We single out the African continent, for refusing to rest until the southern tip of Africa was free.

We recommit ourselves to continue to be an active member of the international community.

We will continue to use multilateral and bilateral forums and relations to take forward the goals of eradicating global poverty, strengthening peace and security and to promote democracy.

We will promote international friendship and cooperation through, amongst others, the 2010 FIFA World Cup. South Africa will deliver a world class event that will forever change the perceptions of the international community, and also ensure a lasting legacy for the people of Africa.

Fellow South Africans, let us move forward decisively, together:

Let us build a nation that remains forever mindful of its history, of those who have sacrificed so much, and the many who put down their lives so we can be here today.

A nation filled with the laughter and joy of children.

A nation filled with a hope born of the knowledge that if we work together, we will achieve our dreams.

Your Majesties, Your Royal Highnesses, Your Excellencies, distinguished guests, thank you for gracing this occasion today.

I thank you.

World Economic Forum Africa

Opening address by His Excellency President Jacob Zuma at the World Economic Forum on Africa, Cape Town

Prof Klaus Schwab, WEF Co-chairs and fellow panellists, Excellencies Heads of State and Government, Honourable Deputy President, Kgalema Motlanthe, Ministers and Deputy Ministers, Distinguished captains of industry, Distinguished participants,

We wish to extend a warm welcome to all distinguished delegates to this session of the World Economic Forum on Africa.

We are honoured to host you and appreciate that you took time to attend this session in our country, and in this beautiful city of Cape Town.

Over the next few days, our continent will gain from the collective wisdom of the more than 800 economic and political leaders gathered at this forum.

We are humbled by the presence of my colleagues the Heads of State and Government, so soon after honouring us with their presence during the Presidential inauguration on the 9th of May.

We are saddened by the news of the passing on of His Excellency Omar Bongo Ondimba of Gabon.

His contribution to peace in the continent is well known. We extend our deepest condolences to the family and the Gabonese people.

Ladies and gentlemen, we meet during a difficult period socially and economically. The impact of the global economic downturn is being felt in every economy worldwide.

While in many parts of the developed countries scores are losing their jobs, rich governments are able to respond with stimulus packages and deploy existing social welfare systems.

For most African countries, that are still highly indebted and dependent on aid for their revenues, the continuation

of the current crisis will mean increased starvation, poverty and child mortality.

We must cushion our people against the impact of the crisis as best we can, but we also need to respond in the spirit of planning for a recovery.

Africa has its own mechanisms of responding to the crisis, as do other regions of the world. No region will respond in the same way as others.

We view the economic downturn as providing both challenges and opportunities for the continent and the developing world in general.

One of the critical lessons for the world from the crisis is the need for a transformed global financial system. Financial systems cannot be self-regulatory and governance of financial institutions must be global in nature.

In addition, several recent meetings of the African Union have called for a comprehensive reform of the governance of the global financial system and the Bretton Woods Institutions, the International Monetary Fund (IMF) and the World Bank.

This will reflect the changing economic realities and challenges and provide a voice and representation for emerging and developing countries.

Another point raised by the developing world constantly is protectionism. Concern has been raised by our African Trade Ministers at the growing protectionist measures being taken in developed countries. This includes the crowding out of credit through the huge bailout packages, and adopting protectionist trade measures.

African agriculture has suffered for decades from the huge subsidies provided to developed country agriculture.

We all do understand that all economies become inward looking during difficult economic times. However, we can avoid shutting out other markets. In this regard, we

President Jacob Zuma has questioned whether trade unions' belligerent calls for strikes are not exacerbating the tough economic situation in South Africa.

support African Trade Ministers in their call for a conclusion of the Doha Development Round based on its development mandate. In planning for the upturn, we must take the view that Africa is amongst the new engines of global growth.

The continent has the opportunity to diversify markets and products, including building the requisite infrastructure and systems for intra-Africa trade as well as South-South trade.

Africa is not without its own resources. Pixley ka Isaka Seme, scholar and leader of the African National Congress pointed out as early as 1906 that:

The African is not a proletarian in the world of science and art. He has precious creations of his own, of ivory, of copper and of gold, fine, plated willow-ware and weapons of superior workmanship.

Africa can build on its human resources, its young and growing population. The crisis provides an opportunity to alleviate the effects of the so-called brain-drain, by attracting the Diaspora back home to reconstruct the continent.

Many African economic emigrants have now discovered that the grass is not necessarily greener on the other side, and will hopefully come home soon to assist with planning for the recovery.

The continent is also rich in natural resources, including agriculture land.

We have also demonstrated our commitment to move forward through institutions that foster good governance such as the African Peer Review Mechanism.

We also have the New Partnership for Africa's Development (NEPAD) as a vehicle for successful socio-economic development partnerships.

Another key element of working for sustainable economic growth and development in Africa is building peace and stability in every corner of the continent.

The formation of the African Union in 2002 created the institutional basis for a united and coherent approach to the advancement of peace, democracy and development.

The establishment of the various organs of the AU has provided further means to promote multilateral, peaceful and sustainable solutions to crisis.

African efforts continue with a view to find and consolidate lasting solutions in Zimbabwe, Darfur, eastern DRC, Madagascar and other parts of the continent. We urge the international community to support these African efforts materially and in other forms.

Chairperson, we welcome the steps and commitments that have been taken globally already. For example in London the G20 agreed to take steps to increase the voice and representation of developing countries in the functioning of these institutions.

It also undertook to maintain their Overseas Development Assistance pledges and commitments to meeting the Millennium



were also major commitments to extend financing facilities for developing countries.

We must carefully monitor delivery on all these commitments. Like all countries, South Africa has set in motion our own response mechanisms. A core element of our response to the crisis is the expansion of a public works programme that will provide job opportunities to around four million people over the next five years.

We are investing R787 billion in infrastructure. We are also looking at training layoffs, finding alternatives to retrenchment and the provision of financing facilities for industries in distress.

A vital element in our efforts to mitigate the impact of the economic crisis is our social grants. At present more than 13 million people receive social grants to alleviate poverty.

Another step in our country's revitalisation is the implementation of a rural development strategy. This involves the intensification of our land reform programme, and efforts to stimulate agricultural development to improve food security.

One of our biggest infrastructure investment projects is in the 2010 FIFA Soccer World Cup. Hosting the World Cup has led to the creation of over 400,000 job opportunities. The construction industry has been invigorated, while the hospitality industry is booming.

We are therefore extremely pleased that we will get an opportunity tomorrow, as part of the programme of WEF Africa, to visit the Greenpoint Stadium, one of the venues for the 2010 FIFA World Cup. This will no doubt inspire participants to return next year to join in celebrating the first ever African Soccer World Cup.

I wish all participants a very successful Forum, and once again, a warm welcome to South Africa to our international guests.

On the one hand, on the other hand ...

Reconciling the contradictory hopes he has held out to both left and right is a major part of the daunting task that faces Jacob Zuma as he starts to build his presidential legacy

Jacob Zuma appears to be firmly ensconced as South Africa's fourth post-apartheid president, having triumphed in his long struggle to oust Thabo Mbeki from the commanding heights of the political landscape. But he is besieged by a veritable host of daunting problems that make it hazardous to predict whether his departure five or ten years down the line will be greeted by jubilation or regret.

A not inconsiderable proportion of his problems are self-inflicted, in the sense that they emanate from his often conflicting populist promises to the nation's poorer citizens, and his reassuring messages to foreign investors and local business people that he is a pragmatist who plans no radical changes to existing African National Congress (ANC) macroeconomic policy.

His populist pledges are explicit in the ANC's manifesto for the April 22 national and provincial elections. They range from the introduction of a national health insurance scheme, through the phasing out of fee-paying government schools, to a wide-reaching programme of rural regeneration and land reform. His populism is, however, unmistakable and ominously implicit in his singing of *Letha mashini wami* (Fetch my machine-gun) while miming a guerrilla fighter opening fire on, presumably, usurpers of the people's wealth or a similarly justifiable target of the people's wrath.

Whether Zuma's engagement in doublethink – or, to quote George Orwell, the propagation of two contrary thoughts at the same time – is prompted by political expediency, or by the desire to win the approval of his immediate interlocutors, is an interesting but ultimately academic question. What is more important is that it is bound, sooner or later, to alienate as many, if not more, people than it appeases.

His inclination to endorse contradictory notions is exemplified by his stand on the restoration of the death penalty. In one breath he signals his willingness to hold a referendum on whether to reinstitute capital

punishment. In the next he reaffirms his commitment to a Constitutional Court judgement declaring it to be an excessively cruel punishment that is in contravention of the Constitution.

More worrying, however, is Zuma's ambivalence on the independence of the judiciary and the rule of law. While he has on more than one occasion declared his and the ANC's commitment to upholding the independence of the judiciary and the associated doctrine of the separation of powers, he has turned a deaf ear to the rhetorical denunciation of judges of the Constitutional Court as counter-revolutionaries by Gwede Mantashe, the ANC Secretary-General, and given Julius Malema, the ANC Youth League President, a mere slap on the wrist for his notorious declaration that the Youth League would take up arms and "kill for Zuma" if he was charged and convicted of corruption.

The charges have, of course, since been withdrawn, to the consternation of those South Africans who see the withdrawal as a political solution to a judicial problem, and hence an abrogation of the rule of law.

It might be added that the Zuma administration's determination to re-table the contentious Superior Courts Bill in Parliament is another worrying development for those who believe that the independence of the judiciary is vital to the survival of South Africa as a constitutional democracy. The revised bill retains the clause empowering the Minister of Justice to assume responsibility for the administrative and budgetary functions of the courts, a provision which most judges have already condemned as inimical to judicial independence.

Furthermore, Zuma has accused the Constitutional Court judges of god-like behaviour; hinted at the need to review their status, and signalled his intention to engage the judges in dialogue on the matter – though, in his stop-go, yes-no mode of conversation and behaviour he has since appeared to backtrack on his statements.



AP Photo/John Hrusa, Pool

Former South African deputy president Jacob Zuma, bottomright, sits in the dock as his supporters react after Zuma was found not guilty in the judgement in his trial for rape in the Johannesburg High Court

Another potentially disquieting sign is the intervention of Jeff Radebe, Zuma's new Minister of Justice, to suspend a scheduled series of Judicial Service Commission (JSC) interviews with judges seeking promotion to the Supreme Court of Appeal. Radebe cites the need to assess the state of race and gender transformation in the judiciary in justification of his action.

As constitutional law fundi Pierre de Vos notes, however, the JSC is well aware of the constitutional injunction that the composition of the judiciary should roughly reflect that racial and gender composition of South Africa's population as a whole. In the absence of a more convincing rationale for his intervention, De Vos warns that Radebe's action will be interpreted as meddling in the affairs of the JSC, which is constitutionally authorised to nominate sitting judges for promotion to higher courts or appropriately qualified lawyers to the bench.

If, as some observers suspect and many citizens fear, Zuma is seeking to make the judiciary more amenable to the government's wishes, he will have started down the same path as Zimbabwean president Robert Mugabe, and set himself up to be adjudged accordingly by history as a disastrous leader when he vacates his presidential position.

Leaving aside the world financial crisis and the contracting South African economy – which are demanding challenges on their own – Zuma is confronted by several additional severe challenges that will test his mettle. Foremost of them is the disparate nature of the coalition that hoisted him to power after his dismissal as national Deputy President by Mbeki in June 2005. It lacks ideological coherence. As business tycoon Saki Macozoma has observed, it is essentially defined by a common antipathy towards Mbeki, but without a unifying vision for the future and liable, in the longer run, to collapse under the weight of its own contradictions.

The diverse nature of the coalition is perhaps best illustrated by two of its most prominent leaders: Blade Nzimande, the General Secretary of the South African Communist Party (SACP), and Tokyo Sexwale, the billionaire mogul with presidential ambitions. While Nzimande is dedicated to the establishment of socialism in South Africa as a first step to fulfilling the vision of a classless communist society, Sexwale at best aspires to broaden the base of capitalism in South Africa, but most certainly not to construct a new order based on communist-inspired uniformity and the communist maxim of "from each according to his ability and to each according to his needs".

Zuma is indebted to the SACP and the Congress of South African Trade Unions (COSATU) for their support during his struggle to succeed Mbeki as national president. The SACP, like COSATU, believes it is "payback time" for Zuma, and that the reimbursement should take the form of a marked shift to the left in ANC policy.

Zuma, however, is simultaneously indebted to Sexwale for withdrawing from the succession contest, thereby leaving the field open to him. But there have been repeated reports that the withdrawal had its own price: in return for his withdrawal, and perhaps even financial support, Sexwale is thought to have extracted an informal agreement from Zuma to serve one term only, to enable Sexwale to fulfil his long-established ambition to serve as national President. At the age of 57, Sexwale is young enough – and rich enough – to emerge as a serious contender to occupy the national presidential office in 2014, though he will have to prevail against the anticipated opposition of the SACP and COSATU, who fear he will buy his way to power and entrench capitalism.

Having been brought to power by an ideologically diverse coalition of forces, Zuma's first and foremost challenge is probably to hold it together by deploying the peace-making powers that he demonstrated when he helped to end the fratricidal struggle between the ANC and the Inkatha Freedom Party (IFP) in KwaZulu-Natal in the mid-1990s, and later when he played a constructive role in helping to broker a settlement between rival factions in Burundi's internecine civil war. If, however, he is forced to take a tough line against one or another of the miscellaneous forces, he should do so decisively.

The worst course of action in those circumstances is to dither. As the helmsman at the head of government and state, Zuma must not opt out by leaving Mantashe to take the tough decisions for him. As the national Chairman of the SACP as well as the Secretary-General of the ANC, Mantashe has an agenda within the ANC agenda that has never been endorsed by the South African electorate.

By Mac Maharaj

Connecting the dots

If the kingmakers failed to perpetuate power in their hands, it had nothing to do with an alert media or sceptical public, says Mac Maharaj, and everything to do with the tenacity of Jacob Zuma and his supporters

Former Transport Minister Mac Maharaj opened the discussion at a University of Johannesburg forum, "Life under a Zuma presidency: what Zuma saved us from and what we need to do to save our institutions", with the argument that South Africa has been through a sustained period of abuse of political power, and that what is needed now is not blame, but clear thinking on what we have to do to avoid this kind of abuse in future. This is an edited version of his address.

I want to start by putting a straight proposition to you: that within the first five years of our democracy a clique coalesced. It developed ambitions and set itself up to be the kingmakers in our country's politics and business. Their game plan, as it evolved, was to concentrate and perpetuate power in their hands, using our Constitution and democracy as a cover. And a critical element in achieving their objectives was the manipulation of state institutions.

Without the transcripts of the intercepted phone calls to and from Leonard McCarthy, then head of the Scorpions, this proposition would have been dismissed as the imaginings of a conspiracy theorist.

As far back as May 2008, the editor of the *Sunday Times* wrote that President Mbeki "threw out the rule book and tried his best to corrupt the foundations of our Republic, namely corrupt the rule of law and respect for constitutional institutions". However, despite this observation, the warning signs of the abuse of power by those manning state institutions, working in concert with some outside those institutions, were by and large dismissed or ignored. The abuses were there for all to see, but we did not connect the dots. Let's consider three events.

In April 2001, the then Minister of Safety and Security, the late Steve Tshwete, announced that Cyril Ramaphosa, Matthews Phosa and Tokyo Sexwale were involved in a conspiracy to overthrow President Mbeki.



Former Transport Minister Mac Maharaj

That night President Mbeki went on *3rd Degree* with Debora Patta and said: "The best way of dealing with the matter is to have open debate about everything, including the Presidency. Because once you start a conspiratorial thing, you are implanting a destructive process." I recall him saying: "It's getting dirty."

These three gentlemen were boxed into a space where they had to publicly disavow having any presidential ambitions. Within weeks, and seemingly for no reason whatsoever, the then Deputy President, Jacob Zuma, issued a statement announcing that he harboured no presidential ambitions.

At one stroke four potential contenders to succeed Mbeki, not to overthrow him but to succeed him, were out of the reckoning. There is no evidence that Mbeki or Tshwete ever confronted any of the three gentlemen. They just went public, rather than digesting the information that may have reached them, verifying it, and investigating so that a carefully thought-out set of actions could be taken that would be commensurate with the actual threat that they may have found to exist.

Mbeki and Tshwete would have been aware of a situation that confronted President Mandela in February 1998. The then head of the Defence Force, General George Meiring, handed President Mandela an intelligence report about a plot by what was called the Front African People's Liberation Army, (FAPLA). Its aim was to assassinate Mandela, murder judges, occupy

Parliament and cause mayhem that would play into the hands of leftwing forces in our country. The report contained 130 names, including many of Mandela's trusted colleagues.

Mandela quietly set about understanding the terrain that he was confronted with. He appointed a judge to investigate the report and its contents. He called in the leaders of many of the political parties in Parliament and briefed them. He told them this was confidential. The judge reported back that the report was a fabrication.

Mandela presented the outcome of the enquiry to a meeting attended by a number of high-ranking army officers, people who had been fingered in that report. Meiring was present, but there is no indication that he was asked to respond. There is no information whether any word passed between Mandela and Meiring on a private basis. Two months after the report had been handed to Mandela, without fanfare, President Mandela accepted Meiring's request for early retirement.

It is worth noting that when the special "Browse" Report surfaced, neither the National Prosecuting Authority (NPA) nor the President took any action. In fact, it was the result of actions of the Joint Standing Committee of Intelligence in Parliament that led the National Intelligence Agency (NIA) to get permission from a judge to tap Leonard McCarthy's telephone. It is through that tapping that this transcript has come to light.

Were President Mbeki and Minister Tshwete acting in a state of panic? Not if you consider the following incidents. In October 2000,

before this incident, Mbeki had defended his stance on HIV/AIDS before an ANC parliamentary caucus of more than 250 members. He could not have been unaware that the briefing would leak out to the media, but he informed the caucus that the criticism of his HIV/AIDS policies was a plot by the United States Central Intelligence Agency acting in cahoots with the drug companies. In another instance, early in 2001, there were media reports that leading government people were saying that the European Union had hatched a scheme to discredit President Mbeki.

What is common to these three incidents is that the information leaked had the aura of authenticity. As it transpired, Tshwete was forced to withdraw his allegations. But President Mbeki, instead of making amends, went so far some months later as to deny on a BBC programme that he had any knowledge of the involvement of Ramaphosa, Phosa and Sexwale in the incident referred to. He was leaving Tshwete to carry the can.

There were at that time no champions in our country of the rule of law to question the propriety, ethics and legality of those leaks

Many opinion makers and many in the media received each of these three revelations with scepticism. But none of us in South Africa were ready to connect the dots or to question the propriety of the actions.

In January 2001 the Scorpions came into existence. Their logo, operational style and dress were designed to instil fear. They portrayed themselves as fearless and fearsome. They combined investigative and prosecutorial functions. Their activities were widely and dramatically publicised, and in their wake there began to appear a new phenomenon, leaks to the media.

We were a country yearning to see our crime fighters get on top of crime and the Scorpions nursed and nourished the media. The leaks had several effects. Firstly, those who were fingered in those leaks had not yet been charged in any court of law. Therefore the sub judice rule did not apply, and such persons were placed under the obligation to answer in the court of public opinion and the media. The information in the leaks bore all the hallmarks of authenticity. They were never sourced to the Scorpions, but there was a growing sense that the information was coming from them. There were at that time no champions in our country of the rule of law to question the propriety, ethics and legality of those leaks.

I'm saying this not in the spirit of putting blame, but from the perspective of saying we share responsibility for what happened, either for positive acts of commission or acts of omission. And one of the worst threats to freedom in any country is those who remain silent in the face of such abuses.

This opportunity to conduct trial by media was good for circulation, but above all, it gave the media a sense of righteousness. Where investigations may have reached a dead-end, the media reports now created a justification for a given investigation to be reopened. And if the matter seemed to peter out, there was always an MP available to table a question in Parliament. So the matter would be kept alive. The dark cloud would continue to hang over the person subjected to that leak.

The cases that got the biggest publicity and received the most sustained attention usually involved leading members of the ANC. Ngcuka went public and even called them "criminals". And the opposition loved it.

Even when attention was drawn to the unlimited powers of the National Director of Public Prosecutions by asking "who prosecutes the National Director?", there was stony silence. Those who alleged the abuse of state power were brushed aside.

Some dots, therefore, when we look back, are more significant than others in helping us to grasp the big picture. In this context, when one reads McCarthy's transcripts it is easy to cling to the text as relating to the timing of charging Jacob Zuma. But the tone and context of the transcripts demonstrates that these exchanges were part of an ongoing relationship between the two of them.

Secondly, there is talk on those transcripts of a comeback strategy. That's not about timing, that's not even about the Zuma case. It is about retaining power that began, as they saw it, to slip out of their hands with the outcome of the elections at Polokwane. And this view gains credence when we revisit the press conference held by Ngcuka and Maduna, who was then Minister of Justice, in August 2003, where they announced that though there was a prima facie case, there was not a winnable case against Zuma. That was a deliberate decision not to join Jacob Zuma in a trial with Schabir Shaik. The idea was not to charge Zuma but to hang him in public without trial.

They were aware that those put on trial and found guilty disappear behind prison walls. The political benefits of having a prominent comrade destitute and walking the streets would be a more effective reminder to any who might entertain thoughts of standing up. Furthermore, they could never be sure that the case against Shaik and Zuma would succeed. There was always the possibility that Zuma could use the court as a platform.

By the time of Polokwane it was clear that the Pontius Pilate stance taken in 2003 had backfired. Now it was imperative that Zuma be charged. The question dominating the timing was whether this should be before or after Polokwane. This was



Former Transport Minister Mac Maharaj and Xolela Mangcu at the University of Johannesburg forum

dependent, not on legal questions, but on political calculations as to whether charging him before Polokwane might not swing more votes there in favour of Zuma.

So it becomes clear that the primary consideration at the Ngcuka/Maduna press conference of 2003 was politics, and not the merits of the case of corruption. This view is further strengthened when one considers the July 2003 off-the-record briefing that Ngcuka and his team, which included Leonard McCarthy and Sipho Ngwema, gave to a selected group of editors and journalists. Its content was not simply the defaming of individuals, more particularly of Zuma, but recruiting the journalists to become de facto agents of the Scorpions within the media. The briefing had nothing to do with the legal basis of the case against Zuma. It had everything to do with the designs of kingmakers in the realm of politics and business.

To return to the proposition I put forward at the outset, defining the threat to our democracy that underlay the now incontestable abuse of power becomes more important in order that we correctly design checks and balances that would curtail the abuse of power in the future and ensure greater accountability. If you don't define it correctly, you'll be bringing in measures as good as scatter shooting.

Those who cling to the narrow, legalistic interpretation of the McCarthy transcript as concerned only with the singular

issue of the timing of charging Zuma, are blind to the threat to democracy that was manifest in what I'm outlining. To simply excuse or brush away the collusion between Ngcuka and McCarthy, evident in the tapes, as political skulduggery strips those who say this of their claims of challenging the decision of the NPA on grounds that it constitutes the tipping point of the end of constitutionalism in South Africa.

I remain of the view that this is not the time to play the blame game. This is the time to acknowledge our role in allowing this abuse of state power to continue for so long. Even the idea of a tipping point is a backhanded acknowledgement that there were, preceding this tipping point, acts whose cumulative effects led to it.

We are at the beginning of ensuring that we minimise the danger. We cannot avoid acknowledging that it has been the sheer tenacity of Zuma, and the actions of those in the ANC and the Alliance convinced that Zuma was the victim of political abuse of power, that has resulted in this exposure of the transcripts.

We cannot leave the future defence of our democracy to such fortuitous conjunctures of events. We have to find common ground and the correct agencies, so that the correct actions are taken. And we have to take them knowing that they may not turn out to be adequate, but we learn from our mistakes.



Said the NDPP, this was a wholly pernicious state of affairs, and a great embarrassment to the authority, and the only way of giving proper recognition to this infection in the system was to bring the prosecution to an end.

On the face of it that explanation seeks to uphold the independence and integrity of the NPA. But upon close scrutiny, in my view, the decision seems to have been rather poorly judged and wrongly taken on a number of grounds. Firstly, there is undoubtedly a very concerning case that an irregularity has been committed, but there is no showing whatsoever that the impermissible influence was carried through to the team of people who ultimately took the decision, including Mr Mpshe.

Secondly, there is nothing to suggest that a decision about the timing of a prosecution goes to the heart of the regularity of the prosecution itself. Mr Mpshe was absolutely clear that the prosecution was instituted on sound grounds.

Thirdly, clearly the first duty of a prosecuting authority is to pursue the merits of a case and bring it to court. There was, of course, a natural and quite justified concern that this prosecution had its origins in various kinds of political machinations. That is a charge of the gravest kind, and needs properly to be investigated. But one has to distinguish between the claim that in fact the entire prosecution is just a bit of political game and the actual reason that the decision was taken, which only went to timing and not to merits.

Only upon a proper showing that this was in effect a political prosecution, and that the entire NPA was subordinate to the political will of political masters, could one actually come to the conclusion that the prosecution shouldn't go ahead. That should have been brought before court. Mr Zuma had indicated that that was a case he meant to bring to court. He never did, and it seems ultimately that we shall never know the rights and wrongs of the insinuations that were made against many people, including the former President, Mr Mbeki.

So on three grounds, it seems that this decision was not properly justified and ultimately not justified in our law. Interestingly, in the Zuma decision by the Supreme Court of Appeal, the test was very clearly laid down. It said you cannot decide whether to proceed with the prosecution simply on the basis of an improper motive. If the motive is not relevant, the question is whether the prosecution is lawful. And on that stand it doesn't seem to me that there was any breach of legality.

And that, of course, leads people to suppose that Mr Mpshe rushed the judgment on rather inadequate evidence – or, in fact, simply buckled to huge political pressure. It is highly ironic that in a case where Mr Zuma has complained that his prosecution was the result of political pressure, it might be the case that Mr Mpshe should himself have buckled under such pressure.



Dr Ngobeni

Let me come, then, to the question of what we want our institutions to look like. Something fundamental about our political make-up depends upon certain institutions being truly independent, and that means that they can take decisions about prosecutions free of political influence. And that matters enormously when powerful people become the subject matter of scrutiny.

If we continue to allow – as Mr Zuma himself says he fell victim to – a situation where nominally independent institutions become subject to political machinations and power plays by contesting political forces, then, frankly, we are lost. What these institutions are meant to do is to put people in place who will make truly independent decisions, without reference to considerations of the politically powerful or decisions that are convenient for political purposes.

If we don't mark out these distinctions between party and the different parts of the executive that have to operate independently, we will ultimately end up in a situation where the dominant party of the day alone rules. If we don't assert independence, then it seems to me we will have lost the fundamental institutions of the democratic life. And the first thing that Mr Zuma should be doing is to appoint an independent person to be the head of the prosecution services and to ensure that never again are political influences brought to bear; and that very, very clear criminal sanctions will follow those who attempt to breach the independence of this institution.

One last thought: when we talk about independent institutions we are talking about a communal sense of what it means to have a South African society. I do feel very often in this debate that we've lost the thread of what that means. We keep asserting sectional interests instead of asserting a common sense of the good which is asserted through independent institutions. That's what the NPA is there to do under the Constitution, and that is what must be restored.

DR NGOBENI

A big problem in South Africa is that we have a very fragmented response to issues of national importance. The legal fraternity in particular is very fond of formulating their arguments around what the political parties are saying.

Let's take the NPA decision we are talking about. The problem did not start the day Mr Mpshe announced that he was discontinuing the prosecution against Mr Zuma. It started when a judge in the High Court in Durban issued a decision in which he dismissed, without prejudice, the prosecution that had been initiated by Mr Mpshe's office. What did Mr Mpshe do, and with the support of the majority in the legal fraternity?

He launched an appeal against that decision. Most people will tell you that, even if you don't like it, a wiser person would not have launched an appeal against a judgement that you intend to comply with anyway. He went to the Supreme Court of Appeal, they reversed Judge Nicholson's decision, and then he said to Mr Zuma, "I now want to give you an opportunity to make representation."

Now if you are going to criticise Mr Mpshe, I submit that you also need to look at the unprincipled position that most of the legal profession took on this issue. There was no one to raise objection to Mr Mpshe's decision to appeal. Mr Mpshe could have complied with Judge Nicholson's order within 24 hours, told Mr Zuma to make representation, and within three or four days said, "I deny it." And then the case would continue through the normal courts.

Then what happened when the case got to the Supreme Court of Appeal? Judge Harms and his colleagues issued a decision which some people think has validity. I submit that it is a completely erroneous decision, contrary to everything that the Constitution stands for. That decision says that an improper motive would not render unlawful an otherwise appropriate prosecution of Zuma. Of course an improper motive in any prosecution, if proven, does affect the right of the defendant. It raises questions about whether or not he's been given a fair and impartial prosecutor.

I would submit to you that there is the issue of accountability. The prosecutor who did not respect the Constitution, or who improperly interfered or allowed some prosecutors to interfere improperly in an ongoing prosecution, would be in dereliction of his duty. I would not accept the notion that an improper motive is irrelevant.

In fact, the irony of this Zuma prosecution is that the prosecutors, by their unwise appeal, appealed against a judgment, that of Judge Nicholson, which actually secured for our prosecutors far more independence than they end up getting with Judge Harms's appeal ruling. What did he say about the prosecutors having relationships with ministers? He doesn't see anything wrong with that. Yet there's a well-established body of people that says that interference in a prosecution by the executive is per se unlawful.

The other issue that I wanted to take up is the politically motivated criticism of Mpshe's decision, and I think again it reflects the kind of politics that we have in this country, the very selective or cherry-picking of causes by the legal scholars.

Mr Zuma's right to make a representation was guaranteed under section 179 of our Constitution, as Judge Nicholson correctly found. When the opportunity was given to Mr Zuma, political parties [also] availed themselves of that opportunity.

Mr Zuma made a representation as an individual. The Democratic Alliance and other political groupings, I believe, made representations, hoping that their view would prevail and that Mr Mpshe would not discontinue the Zuma prosecution.

That failed, and everybody's now crying foul. They're saying this was a politically motivated decision. It's a process that the Constitution provided for, and they took advantage of it. They participated in it. But the outcome was not to their liking. I would say again that Mpshe's decision for this exercise of his discretion should be seen in the context of a democracy. That's what happens in a democracy. Everybody took advantage of the process that was provided.

There is a decision of the United States Supreme Court in *Burger v United States* which sets a clear minimum standard that a prosecutor should observe. I believe it has been cited in court decisions in most democracies. It says:

"The prosecutor is the representative not of an ordinary party for controversy but of a sovereignty whose obligation to govern impartially is as compelling as his obligation to govern at all. And whose interests therefore in a criminal prosecution is not that it shall win a case but that justice shall be done. As such, he is in a peculiar and very definite sense the servant of the law, the twofold aim of which is that guilt shall not escape or innocence suffer."

So we cannot make an argument that portrays us as people who want to eat their cake and have it at the same time.

One of the things that people are not mentioning is that in the NPA's denial of Mr Zuma's allegation of political interference, Mr McCarthy and Mr Ngcuka submitted affidavits to the court in which they said that there was never political interference in the case. But it turns out that was a lie. I believe Mpshe has some ethical obligation, and he also has a right, to disassociate himself from that. It would be an abusive process to continue perpetuating a lie, to continue going to the court and saying, no, there was no improper political interference, when he knows that there was.

And even though Mr Zuma never got to that stage, I have been one person who has been urging as far back as last January that they should have filed an application for a permanent stay, based, among other things, on the abuse of "process doctoring".

I believe that we had a compelling case. If you look at the totality of circumstances, it is not just the question of the tapes; there is a lot more in terms of the violation of Mr Zuma's constitutional rights that was clearly provable. And I believe he would have prevailed if he had been given the opportunity.

Planning the Future

The new ministries in the Presidency, and particularly the new National Planning Commission, could provide South Africa with an opportunity to learn from other similar institutions elsewhere in the world, and South Africans with an opportunity to “walk together” in more ways than one

President Zuma's first Budget Vote in Parliament featured a robust defence of the reconstructed government structure and restructured Presidency that have thus far hallmarked his term in office.

Perhaps controversially, as it blurs the party/state divide, these changes resulted from a review of government performance over the past 15 years, as well as a “public consultation process” during the fourth democratic elections, as part of the ANC's election campaign efforts.

In his speech, President Zuma described the respective roles of the Presidency and his two newly minted Ministers in the Presidency, Trevor Manuel and Collins Chabane, as part of the “nerve-centre” of government:

“We had to improve the ability of the Presidency to give leadership to, and to exercise oversight on government. We had to introduce a system of integrated strategic planning and the alignment of plans and programmes across all the spheres of government. These plans will take into account the socio-economic potential of each district and metro and assist them to exploit their comparative advantages to the full. The Minister in the Presidency responsible for the National Planning Commission was introduced to lead this process.”

President Zuma promised the House legislation where necessary to give these new structures a fully fledged set of powers, and both ministers concerned promised a green-paper policy process as an important consultative part of these changes at the top level of governance. These are welcome developments as much uncertainty has met the announcement of an expanded Presidency and little detail has thus far been forthcoming – apart from Planning Minister Manuel's mention of the examples of the planning commissions in South Korea, India, Turkey, Brazil and Chile during the State of the Nation debate.

In his speech during the Budget Vote debate, Minister Manuel sought to emphasise three specific functions of the Presidency for which he, Minister Chabane, Deputy-President Motlanthe and President Zuma were to be collectively responsible. These are the Presidency's role to ensure policy coherence across government, that agreed policies and plans are co-ordinated across all spheres of government, and, thirdly, that performance management remains a core part of government's efforts to improve service delivery at Presidential level. Minister Manuel announced that the exact role and function



India's Planning Commission has had a mixed record of success and marginalisation at different political periods. It is now in India's current 11th five-year plan 2007-2012

of the Planning Ministry and the National Planning Commission (NPC), as well as the importance of the national strategic plan and vision, would be outlined in a green paper to be released by the end of July 2009:

"The purpose of these green papers is to provide all stakeholders with a sense of government's thinking in this regard and provide them with an opportunity to input into the process of deciding how these functions will be performed."

While we await specific details, the lifting of the veil on the strategic thrust, logic and approach of the decision to create a National Planning Ministry and Commission is a welcome development. International and domestic investors alike have been eager for clarification on the role, functions and powers of the new National Planning Commission, and Minister Manuel's role, specifically.

Four key requirements will be crucial to ensuring success as we embark on setting up a reconfigured Presidency. Firstly, as broad a spectrum of civil-society organisations as possible should be involved in its creation. In this regard, the announcement of a green-paper process is particularly welcome and, in the parlance of the Dinokeng scenarios, it offers a unique opportunity to "walk together" to craft our first strategic plan as a nation.

Secondly, the new Planning Ministry, as well as the NPC, will require a clear mandate and role, clear institutional form, and to be established by an unambiguous legal framework. This will be particularly crucial as the new structures will be crafted in the context of existing structures, and they will need adequate legal clarity on their relationships. In this regard, the relationships of the new Planning Ministry and the NPC with the National Economic

Development and Labour Council (NEDLAC) will be of particular importance, as President Zuma also announced the strengthening of NEDLAC as a key priority in his speech. This relationship will have to strike a careful balance as the tail cannot be allowed to wag the dog of a new structure, but, at the same time, the new structure must be allowed the autonomy and institutional freedom to find its feet.

Herein lays the potential rub for South Africa's planning structures. Unlike some comparable experiences, our NPC will be forged in the context of an existing constitutional framework and institutional configurations that were part and parcel of our transition to democracy. It will therefore have to find a unique balance between as sound a relationship as possible with all these institutions and enough authority to make the new national vision one that is pursued by all stakeholders, in full agreement with its objectives, in a democratically accountable system of constitutionalism.

Thirdly, the new Planning Minister and NPC will need the full backing of the President. One could argue that this is innately the case as the structures have been placed within the Presidency itself. But that is only one part of the requirement – the institutional part. In politics, personal leadership is perhaps as crucial as the various institutional configurations, if not more so. President Zuma will have to back Minister Manuel fully if any part of the structures' roles becomes hotly contested terrain that could derail the new institution and/or its role in society. Only time will tell whether the personal as well as the institutional support will be forthcoming from the President in the politics of the long haul.

China's National Development and Reform Commission replaced its State Planning Commission in 2003

Photo: Picturenet

Fourthly, a clear relationship will have to be forged between Minister Manuel's and Minister Chabane's roles. During the debate on the President's vote, Minister Manuel stated that they were all collectively and severally accountable for the exercise of the roles of the Presidency. This exacting requirement can only be fulfilled if the two Ministers function in tandem: one overseeing the plans, the other monitoring their execution. Therein lays the nub of the matter: not only will Ministers Manuel and Chabane be releasing their green papers in tandem; they will have to ensure that the roles and institutional configurations envisaged therein build a robust relationship inter se between their two Ministries.

It is perhaps instructive to look at two institutional structures comparable to our envisaged NPC: those of China and India, two fast-growing economies with very different state structures.

In 2003, China's National Development and Reform Commission (NDRC) replaced the State Planning Commission (SPC) which had managed China's centrally planned economy since 1952. The NDRC is a macroeconomic management agency, under the Chinese State Council, which has broad administrative and planning control over the Chinese economy. It has 28 departments and 1 029 employees.

Its principal functions, in brief, are:

- to formulate and implement macroeconomic policies;
- to monitor and adjust the performance of the national economy;
- to examine and approve major construction projects;
- to guide and promote economic restructuring;
- to co-ordinate the readjustment of China's industrial structure with the development of agriculture and the rural economy;
- to formulate plans to develop China's energy sector and manage national oil reserves;
- to promote the Western Region Development Programme, which calls for China's economic growth to include poorer Western provinces; and
- to submit a national economic plan to the National People's Congress on behalf of the State Council.

Recently, the NDRC has been placed in charge of China's strategic petroleum reserves. In addition, there is a separate National Co-ordination Committee on Climate Change and China's energy management has been moved out of the NDRC to a new free-standing National Energy Bureau (NEB). The NEB is tasked with reforming China's highly dispersed energy management, and integrated the NDRC's functions on energy management, the National Energy Leading Group and the nuclear management of the Commission of Science, Technology and Industry for National Defence.



The legacy of central planning and the SPC of old can still be sensed in the functions of the NDRC as they are described today. It is important to recall two crucial features of China at this point. Firstly, because China is not a democracy, the planning structures and function are buttressed by a very strong and organised communist party which acts as additional structure of control and co-ordination. It is also fascinating to note that the NDRC does not have an elaborate framework of legal powers, as it does not slot into an overall accountability arrangement where it might need to exercise its powers in more nuanced ways. Secondly, as the regions of China are all effectively administered and controlled from the centre, and are not alternative spheres of government, the planning function in China can be centrally directed and co-ordinated.

South Africa, on the other hand, is a complex constitutional democracy. Its various spheres of government have clear constitutional roles and responsibilities in a co-operative system of governance which will pose key normative and institutional challenges to mirroring the Chinese example. China is in its 11th five-year plan for National Economic and Social Development, having engaged in massive post-earthquake recovery plans, as well as an infrastructure and social-services fiscal stimulus package to address the consequences of the global financial meltdown and the contraction of the global economy.

The Planning Commission in India is a governmental institution that formulates India's five-year plans. Its composition has undergone several changes since its inception, and currently the Prime Minister is ex-officio Chairman, and the committee has a nominated Deputy Chairman with the rank of a full cabinet

minister. Cabinet ministers with certain important portfolios act as part-time members of the commission, while the full-time members are experts from fields such as economics, industry, science and general administration. The commission works through various divisions, including the General Planning and Programme Administration Divisions. The majority of experts in the commission are economists, and it is the biggest employer of economic services in the country.

Its functions are as follows:

- assessment of resources of the country;
- formulation of five-year plans for effective use of these resources;
- determination of priorities, and allocation of resources for the plans;
- determination of requisite machinery for successful implementation of the plans;
- periodical appraisal of the progress of the plans;
- to formulate plans for the most effective and balanced utilisation of the country's resources;
- to indicate factors hampering economic development; and
- to determine the machinery necessary for the successful implementation of each stage of the plan.

India's Planning Commission is closely linked with the Ministry of Finance as well as the Investment Commission of India.

The commission explains its own evolving functions as largely strategic in nature, with an emphasis on resource-allocation efficiency and co-ordination:

"From a highly centralised planning system, the Indian economy is gradually moving towards indicative planning where Planning Commission concerns itself with the building of a long term strategic vision of the future and decides on priorities of nation. It works out sectoral targets and provides promotional stimulus to the economy to grow in the desired direction.

"Planning Commission plays an integrative role in the development of a holistic approach to the policy formulation in critical areas of human and economic development. In the social sector, schemes which require coordination and synthesis like rural health, drinking water, rural energy needs, literacy and environment protection have yet to be subjected to coordinated policy formulation. It has led to multiplicity of agencies. An integrated approach can lead to better results at much lower costs.

"The emphasis of the Commission is on maximising the output by using our limited resources optimally. Instead of looking for mere increase in the plan outlays, the effort is to look for increases in the efficiency of utilisation of the allocations being made.

"With the emergence of severe constraints on available budgetary resources, the resource allocation system between the States and Ministries of the Central Government is under strain. This requires the Planning Commission to play a mediatory and facilitating role, keeping in view the best interest of all concerned. It has to

ensure smooth management of the change and help in creating a culture of high productivity and efficiency in the Government.

"The key to efficient utilisation of resources lies in the creation of appropriate self-managed organisations at all levels. In this area, Planning Commission attempts to play a systems change role and provide consultancy within the Government for developing better systems. In order to spread the gains of experience more widely, Planning Commission also plays an information dissemination role."

Given India's democratic governance system, as well as the intricate network of institutions within which it appears to function, there are interesting possible parallels to explore with respect to what did and did not work, particularly when the commission had obstacles to confront during a period of rapid political change, when five-year plans were reduced to annual plans in the early 1990s. India is currently in its 11th five-year plan (2007–2012). Recently Chairman Montek Singh Ahuwalla recommended to the Finance Ministry to increase states' borrowing limit from 3.5% to 4% of gross domestic product, and called for the fiscal deficit rules of states to be changed to allow them to borrow more in what the Planning Commission regards as an 'exceptional year', largely due to global circumstances.

During the Presidency's Budget Vote debate, Minister Manuel emphasised that the planning function would co-ordinate the process whereby government develops its long-term vision and plan, and that process whereby Cabinet collectively agreed the Medium-Term Strategic Framework would be its second major task. He emphasised that the Planning Ministry has a key role to play in building the organisational and technical capability of the state to ensure that government delivers on its policy commitments, but highlighted that micro-planning and sectoral planning would not be undertaken from the centre, nor would the Planning Ministry act as a gatekeeper for plans. It would act as a "quality controller" over the plans and processes, instead of nit-picking the minutiae of delivery.

While it is early days, and prior to the tabling of a green paper, it is instructive to start looking at comparable experiences. India and China represent useful counter-distinctions that share key similarities: both are in their 11th plan and both have seen high rates of economic growth prior to the global contraction, and continue to grow, albeit at much lower rates. But they also differ in crucial respects, as mentioned above. There are many other such commissions to look at.

The first Budget Vote debate of the fourth democratically elected President of the Republic of South Africa has come and gone. But the wide-ranging structural changes to the Presidency announced during the debate, and their implications for society, mean that the broader societal debate has only just begun. South Africa seems set for an exciting new chapter in a global context that requires unclouded strategic long-term thinking about the future we pursue and plan for together as a nation.

Opening address

State of the nation
address by His
Excellency Jacob
Zuma, President of
the Republic of South
Africa, joint sitting of
parliament, Cape Town
03 June 2009

Honourable Speaker;
Chairperson of the National Council of Provinces;
Deputy Speaker of the National Assembly and Deputy Chairperson
of the NCOP;
Deputy President of the Republic, Kgalema Motlanthe;
Former President of the Republic, Thabo Mbeki;
Our icon, the First President of a democratic South Africa, Isithwalandwe
Nelson Rolihlahla Mandela;
Former Deputy Presidents;
Distinguished Premiers and Speakers of our Provinces;
Esteemed members of the Judiciary;
Chairperson of SALGA, mayors and leaders in our system of local
government;
Chairperson of the National House of Traditional Leaders and our honoured
traditional leaders;
Heads of Chapter 9 Institutions;
Governor of the Reserve Bank,
Religious leaders,
Directors-General and other leaders of the public service;
President of the Pan African Parliament, Honourable Idriss Endebe Moussa,
Your Excellencies Ambassadors and High Commissioners;
Distinguished guests, comrades and friends;
Fellow South Africans,



AP Photo/Mike Hutchings, Pool

South African President Jacob Zuma, giving his first State of the Nation address in Parliament

Dumelang, Abusheni, Molweni,

On the 22nd of April, millions of South Africans went out to cast their votes. They exercised their democratic right spurred on by the desire to change their lives for the better.

In their overwhelming numbers, they confirmed that working together we can do more to fight poverty and build a better life for all. They were encouraged by the vision of an inclusive society, a South Africa that belongs to all, a nation united in its diversity, a people working together for the greater good of all.

We are humbled by this decisive electoral mandate given by the people of our country, who have chosen their government in a most convincing manner.

Honourable Members,

Our nation has over the past few years gone through very challenging times. It is thanks to the fact that we have a strong and fully functional constitutional democratic system, with solid institutions, that we overcame these difficulties smoothly and with dignity.

Today's occasion is a celebration of what makes this democracy work. It is also a celebration of our culture of continuity and collective responsibility.

This is evidenced by the presence here of our icon Madiba, who laid the foundation for the country's achievements, and that

of former President Thabo Mbeki, who built on that foundation.

The continuity is also evident in the fact that former President Kgalema Motlanthe is now the Deputy President of the Republic, after a seamless transition, making us a unique country in many respects.

Fellow South Africans,

As you would be aware, the fight against poverty remains the cornerstone of our government's focus.

On the 9th of May, during the Presidential inauguration, we made a commitment to our people and the world that:

"For as long as there are South Africans who die from preventable disease; for as long as there are workers who struggle to feed their families and who battle to find work; for as long as there are communities without clean water, decent shelter or proper sanitation; for as long as there are rural dwellers unable to make a decent living from the land on which they live; for as long as there are women who are subjected to discrimination, exploitation or abuse; for as long as there are children who do not have the means nor the opportunity to receive a decent education; we shall not rest, and we dare not falter, in our drive to eradicate poverty.

In pursuit of these goals, our government has identified 10 priority areas, which form part of our Medium Term Strategic Framework for 2009 to 2014.



Photo: Rodger Bosch

The programme is being introduced under difficult economic conditions. The past year has seen the global economy enter a period of crisis unprecedented in recent decades.

While South Africa has not been affected to the extent that a number of other countries have, its effects are now being clearly seen in our economy. We have entered a recession. It is more important now than ever that we work in partnership on a common programme to respond to this crisis.

We take as our starting point the framework for South Africa's response to the international economic crisis, concluded by government, labour and business in February this year. We must act now to minimise the impact of this downturn on those most vulnerable.

We have begun to act to reduce job losses. There is an agreement in principle between government and the social partners on the introduction of a training layoff.

Workers who would ordinarily be facing retrenchment due

to economic difficulty would be kept in employment, for a period of time and re-skilled.

Discussion on the practical detail is continuing between the social partners and the institutions that would be affected by such an initiative, including the Education Sector and Training Authorities.

We will support the work of the Commission for Conciliation Mediation and Arbitration (CCMA) to assist employers and workers to find alternatives to retrenchments through the relevant legal process.

To date, CCMA commissioners have saved over four thousand jobs through facilitation processes, and provided ongoing advice and support to retrenched workers.

The Industrial Development Corporation has developed a programme to fund companies in distress. We will also ensure that government buys more goods and services locally, without undermining our global competitiveness or pushing up costs beyond acceptable levels.



Photo: Rodger Bosch

Building on the successes of our industrial policy interventions, a scaled up Industrial Policy Action Plan will be developed. The lead sectors already identified are automobile, chemicals, metal fabrication, tourism, clothing and textiles as well as forestry. In addition, attention will also be paid to services, light manufacturing and construction amongst others, in the quest to create decent jobs.

As part of Phase 2 of the Expanded Public Works Programme, the Community Work Programme will be fast-tracked. It offers a minimum level of regular work to those who need it, while improving the quality of life in communities.

The economic downturn will affect the pace at which our country is able to address the social and economic challenges it faces. But it will not alter the direction of our development.

The policy priorities that we have identified, and the plans that we placed before the electorate, remain at the core of the programme of this government.

Laat ons mekaar se hande vat, en saam oplossings vind in die gees van n Suid Afrikaanse gemeenskap. Die tyd het gekom om harder te

werk. Ons regering gaan vorentoe kyk, nie agteruit nie!

The steps outlined in our Medium Term Strategic Framework had to take into account the constraints posed by the economic crisis. The downturn should not cause us to change these plans. Instead it should urge us to implement these with speed and determination.

The Framework focuses on 10 priorities. We make a commitment that working together we will speed up economic growth and transform the economy to create decent work and sustainable livelihoods.

We will introduce a massive programme to build economic and social infrastructure. We will develop and implement a comprehensive rural development strategy linked to land and agrarian reform and food security. We will strengthen the skills and human resource base. We will improve the health profile of all South Africans.

Working together with all South Africans, we will intensify the fight against crime and corruption. We will build cohesive, caring and sustainable communities.



Photo: Trevor Samson

Kgalema Motlante, Max Sisulu, President Zuma and his eldest wife Sizakele Khumalo take the national salute in front of parliament

Working with Africa and the rest of the world, we will pursue African advancement and enhanced international co-operation. We will ensure sustainable resource management and use. And, working with the people and supported by our public servants, we will build a developmental state, improve public services and strengthen democratic institutions.

It is my pleasure and honour to highlight the key elements of our programme of action.

The creation of decent work will be at the centre of our economic policies and will influence our investment attraction and job-creation initiatives. In line with our undertakings, we have to forge ahead to promote a more inclusive economy.

In this regard, we will utilise state levers such as procurement, licensing and financial support to assist small medium enterprises as well as to promote the implementation of Broad-Based Black Economic Empowerment and affirmative action policies.

The implementation will be done in recognition of the need to correct the imbalances of the past. The transformation will be undertaken in support of women, youth and people with disabilities.

We will reduce the regulatory burden on small businesses. The matter of being stifled by regulations has been raised by the sector several times.

In another intervention to create an enabling environment for investment, government will move towards a single integrated business registration system. This will improve customer service and reduce the cost of doing business in South Africa.

Another important element of our drive to create job opportunities is the Expanded Public Works Programme (EPWP). The initial target of one million jobs has been achieved.

The second phase of the programme aims to create about four million job opportunities by 2014. Between now and December 2009, we plan to create about 500 000 job opportunities.

While creating an environment for jobs and business opportunities, government recognises that some citizens will continue to require state social assistance. Social grants remain the most effective form of poverty alleviation. As of 31 March 2009, more than 13 million people received social grants, more than 8 million of whom are children.

We are mindful of the need to link the social grants to jobs or economic activity in order to encourage self-reliance amongst the able-bodied. Most importantly during this period, neighbours should assist each other.

Jwale ke nako yakopano. Are thusaneng jwale ka baahisane.

Are dumananeng hore ho sebane le ngwana ya tla robalang ka tla hobane batswadi bahae bafeletswe ke mosebetsi. Hare ka kopana ra sebetsa kaofela re ka etsa ho feta mo.

Distinguished guests, as part of the second strategic priority we will continue with our programme to build economic and social infrastructure.

The newly-formed Infrastructure Development Cluster of government will ensure that the planned R787 billion infrastructure expenditure, as provided for in the budget earlier this year, is properly planned for and executed.

This funding includes allocations for the school building programme, public transport including the bus rapid transit system, housing, water and sanitation.

One of the biggest infrastructure investment projects is in the 2010 FIFA Soccer World Cup. We have, as government and the nation at large, pledged that the World Cup will leave a proud legacy from which our children and our communities will benefit for many years to come.

We are on track to meet all our obligations and are determined to give the world the best World Cup ever. We are putting all systems in place to make the Confederations Cup, which kicks off on the 14th of June, a huge success.

In April this year, I gave an undertaking to the taxi industry leadership to defer negotiations relating to the operation of the Bus Integrated Rapid Transit system until after the elections. We undertook to allow more time to deal properly with the concerns of the industry. On the 11th of June the Minister of Transport will resume discussions with the industry.

The meeting will kick-start a series of engagements with the stakeholders affected by the BRT system. We are confident that unresolved issues will be dealt with to the satisfaction of all parties. This will include the important issue of how all stakeholders will benefit from the initiative.

Honourable Members, another development which should boost the World Cup is the roll-out of the digital broadcasting infrastructure and signal distribution transmitters. Overall, we will ensure that the cost of telecommunications is reduced through the projects under way to expand broadband capacity.

We have to ensure that we do not leave rural areas behind in these exciting developments. As part of social infrastructure development we will provide suitably located and affordable housing and decent human settlements. We will proceed from the understanding that human settlement is not just about building houses. It is about transforming our cities and towns and building cohesive, sustainable and caring communities with closer access to work and social amenities, including sports and recreation facilities. In this spirit, we will work with Parliament to speed up the processing of the Land Use Management Bill.

Working together with our people in the rural areas, we will ensure a comprehensive rural development strategy linked to land and agrarian reform and food security, as our third priority.



I would like to use this opportunity to extend our condolences to the family of the Deputy Minister of Agriculture, Dirk du Toit, who passed away this week. His contribution will be sorely missed.

Abantu basemakhaya nabo banelungelo lokuba nogesi namanzi, izindlu zangasese ezigijima amanzi, imigwaqo, izindawo zokuqeda isizungu nezemidlalo kanye nezindawo zokuthenga eziphucukile njengasemadolobheni.

Nabo banelungelo lokusizwa kwezolimo ukuze bazitshalele imifino nokunye, bafuye nemfuyo bakwazi ukuziphilisa.

Sizimisele ukuwuqala lomkhankaso wokwakha izingqalasizinda ezindaweni zasemakhaya. Uma sibambisene nezakhamizi, amakhosi, amakhansela nezinduna siyokwazi ukuwusheshisa lomsebenzi.

government to turn our schools into thriving centres of excellence.

The Early Childhood Development programme will be stepped up, with the aim of ensuring universal access to Grade R and doubling the number of 0-4 year old children by 2014.

We reiterate our non-negotiables. Teachers should be in school, in class, on time, teaching, with no neglect of duty and no abuse of pupils! The children should be in class, on time, learning, be respectful of their teachers and each other, and do their homework.

To improve school management, formal training will be a pre-condition for promoting teachers to become principals or heads of department. I will meet school principals to share our vision on the revival of our education system.

Fellow South Africans, we will increase our efforts to encourage all pupils to complete their secondary education.

The target is to increase enrolment rates in secondary schools to 95 per cent by 2014. We are also looking at innovative measures to bring back into the system pupils who dropped out of school, and to provide support.

Honourable Members, we are very concerned about reports of teachers who sexually harass and abuse children, particularly girls. We will ensure that the Guidelines on Sexual Harassment and Violence in Public Schools are widely disseminated, and that learners and teachers are familiar with and observe them.

We will take very serious and very decisive action against any teachers who abuse their authority and power by entering into sexual relationships with children.

To promote lifelong learning, the Adult Basic Education and Training Kha ri Gude programme will be intensified.

Compatriots, Honourable Members, we have to ensure that training and skills development initiatives in the country respond to the requirements of the economy.

The Further Education and Training sector with its 50 colleges and 160 campuses nationally will be the primary site for skills development training. We will improve the access to higher education of children from poor families and ensure a sustainable funding structure for universities.

Fellow South Africans, we are seriously concerned about the deterioration of the quality of health care, aggravated by the steady increase in the burden of disease in the past decade and a half.

We have set ourselves the goals of further reducing inequalities in health care provision, to boost human resource capacity, revitalise hospitals and clinics and step up the fight against the scourge of HIV and AIDS, TB and other diseases.

We must work together to improve the implementation of the Comprehensive Plan for the Treatment, Management and Care of HIV and AIDS so as to reduce the rate of new HIV



Sicela abahlala ezindaweni zasemakhaya baqale balungiselele ukutshela uhulumeni ukuthi yiziphi izinto abazidinga ngokushesha.

Uma sisebenza ngokubambisana sizokwenza okuningi.

Hon. Speaker and Chairperson,

While having drawn the necessary lessons from earlier rural development initiatives, we have chosen the Greater Giyani Local Municipality in Limpopo as the first of the pilot projects for the campaign. Out of these projects will emerge lessons for the whole country.

In addition, we will work on the targeted renewal of rural towns, through grants such as the Neighbourhood Development Grant programme. In this way, areas around the towns will benefit from the economic boost. With all these interventions, we are poised to change the face of rural areas in our country.

Compatriots, education will be a key priority for the next five years. We want our teachers, learners and parents to work with



South African Police Services (SAPS) brass band salutes the New Gauteng Premier Nomvula Mokonyane in honour of her inauguration at the Gauteng Legislature in Johannesburg.

infections by 50% by the year 2011. We want to reach 80% of those in need of ARV treatment also by 2011.

We will introduce a National Health Insurance scheme in a phased and incremental manner. In order to initiate the NHI, the urgent rehabilitation of public hospitals will be undertaken through Public-Private Partnerships.

We are also paying urgent attention to the issues of remuneration of health professionals to remove uncertainty in our health services. Working together let us do more to promote quality health care, in line with the United Nations Millennium Development Goals to halve poverty by 2014.

Fellow citizens, together we must do more to fight crime. Our aim is to establish a transformed, integrated, modernised, properly-resourced and well-managed criminal justice system.

It is also critically important to improve the efficiency of the courts and the performance of prosecutors and to enhance detective, forensic and intelligence services. This work has started in earnest, and it will be undertaken with new energy and vigour.

Among the immediate targets is to ensure that we increase the number of prosecutors and Legal Aid Board personnel. We will do the same with police detectives.

We changed the name of the relevant Ministry from Safety and Security to Police to emphasise that we want real operational energy in police work. This will contribute to the reduction of serious and violent crimes by the set target of 7% to 10% per annum. The most serious attention will also be

given to combating organised crime, as well as crimes against women and children.

Honourable Speaker and Chairperson, while appreciating the investment of the private sector in the security industry, we will improve the regulation of this industry. Amongst other key initiatives, we will start the process of setting up a Border Management Agency; we shall intensify our efforts against cyber crime and identity theft, and improve systems in our jails to reduce repeat offending.

Compatriots, I wish to underline our support for the continued transformation of the judiciary. The transformation should address key issues such as the enhancement of judicial independence, entrenching internal systems of judicial accountability as well as ensuring full access to justice by all.

The success of the democratic system as a whole depends on good relations of mutual respect and a spirit of partnership among the Executive, the Legislature and the Judiciary. This is very important for our constitutional democracy.

Honourable Speaker and Chairperson, we have repeatedly stated our commitment to fight corruption in the public service. We will pay particular attention to combating corruption and fraud in procurement and tender processes, application for drivers' licences, social grants, IDs, and theft of police case docketts.

Let me emphasise that we all have a role to play in this war against crime. We must actively participate in Community Policing Forums. We must stop buying stolen goods, which

Photo: Sydney Seshibedi © The Times



Kgalema Motlanthe is sworn in as Deputy President of South Africa in Pretoria

encourages crime. We must report crime and assist the police with information to catch wrongdoers. In this way, we will move forward towards a crime-free society.

Honourable Members, since 1994 we have sought to create a united cohesive society out of our fragmented past. We are called upon to continue this mission of promoting unity in diversity and to develop a shared value system, based on the spirit of community solidarity and a caring society.

Our shared value system should encourage us to become active citizens in the renewal of our country. We must build a common national identity and patriotism.

We must develop a common attachment to our country, our Constitution and the national symbols. In this spirit, we will promote the National Anthem and our country's flag and all other national symbols.

Our children, from an early age, must be taught to pay allegiance to the Constitution and the national symbols, and know what it means to be South African citizens.

We will ensure a common national approach to the changing of geographic and place names. This must provide an opportunity to involve all South Africans in forging an inclusive national identity, to deepen our understanding of our history and heritage.

Sport is a powerful nation-building tool. Working together we must support all our national teams from Bafana Bafana to the Proteas and the Springboks; from Banyana Banyana to Paralympians. Our teams can only do well with our support.

Allow me to use this opportunity to congratulate our national teams for their performances in the past week, indeed in pulling off a hat trick.

The country's women's netball team has done us proud by winning the Tri-Nations Netball Challenge. Congratulations to the Sevens Springboks who have become the IRB Sevens World Series Champions – and not forgetting the Blue Bulls who have won the Super 14 finals in a convincing fashion! We take this opportunity to wish the Springboks well in the upcoming series against the British and Irish Lions.

Pravin Gordhan,
Blade Nzimande and
Dr Pieter Mulder are
sworn in as ministers in
President Zuma's Cabinet

It is clear that we need to invest on a large scale in sports development. We will speed up the revival of school sport and ensure that it forms part of the school curriculum. In addition we will ensure that the provision of sport facilities in poorer communities receives priority.

Hon. Speaker and Chairperson, we have committed ourselves over the years to contribute to building a better Africa and a better world. The main goal of government for the medium term is to ensure that our foreign relations contribute to the creation of an environment conducive to sustainable economic growth and development.

To this effect, we will continue to prioritise the African continent by strengthening the African Union and its structures, and give special focus to the implementation of the New Partnership for Africa's Development.

Equally important, and closer to home, is the strengthening of regional integration with particular emphasis on improving the political and economic integration of SADC, towards the AU goal of a Union government. We will establish a South African Development Partnership Agency to promote developmental partnerships with other countries on the continent.

South Africa will continue to assist in the reconstruction and development of the African continent especially in post-conflict situations. We will continue to encourage a peaceful and sustainable settlement to the Israeli-Palestinian conflict based on the two-state solution.

We will support the peace efforts of the African Union and the United Nations on the African continent, including in the Saharawi Arab Republic and Darfur in Sudan.

As the Chairperson of SADC and Facilitator, we will participate in promoting inclusive government until free and fair elections are held in Zimbabwe. The plight of the Zimbabwean people has had a negative impact on the SADC region, especially South Africa. We call upon all peace-loving countries in the world to support the inclusive government to achieve economic recovery. We will support efforts of the SADC region to resolve the situation in Madagascar.

Allow me, distinguished guests, to pay tribute to the SA National Defence Force for their sterling role in peace building in the continent.

Through continental and regional bodies, we will work towards the entrenchment of democracy and the respect for human rights on the African continent.



Photo: Sydney Seshibedi © Sunday Times

Photo: Sydney Seshibedi © The Times

Photo: Trevor Samson



From left to right: Max Sisulu, Kgalema Motlanthe and President Zuma take the national salute in front of parliament

We will contribute to the strengthening of South-South relations and pursue mutually beneficial agreements with key countries of the South.

We will continue to enhance relations with the developed North including the G8, and our strategic partnership with the European Union. We will continue to play an active role in ensuring the conclusion of the WTO Doha Development round of negotiations.

Honourable Speaker and Chairperson, South Africa, being a dry country requires urgent action to mitigate adverse environmental changes and to ensure the provision of water to citizens.

Amongst various programmes, we will implement the Water for Growth and Development strategy, which will strengthen water management. We will continue to improve our energy efficiency and reliance on renewable energy.

Honourable Members, a developmental state requires the improvement of public services and strengthening of democratic institutions. We have established two Ministries in the Presidency to strengthen both strategic planning as well as performance monitoring and evaluation. To ensure delivery on our commitments, we will hold Cabinet Ministers accountable through performance instruments, using established targets and output measures, starting in July.

We will also involve State-Owned Enterprises and Development Finance Institutions in the government planning processes and improve the monitoring and evaluation of their performance.

Honourable Members, fellow South Africans,

To ensure that all three spheres – local, provincial and national – improve service delivery, we will speed up the establishment of a single Public Service.

This administration will insist on putting people first in service delivery. We will ensure courteous and efficient service from front-counter staff in the provision of services in all government departments.

In this era of renewal, we will move towards a more interactive government. To lead by example, work has begun on the establishment of a public liaison capacity in the Presidency. In addition to receiving letters and emails from the public, we will also establish a hotline for easier access.

Staff will handle each public inquiry as if it was the only one, following it through all the channels until it receives the attention it deserves.

Honourable Speaker and Chairperson, the National Youth Development Agency, formed through the merger of Umsobomvu Youth Fund and the National Youth Commission will be launched on June 16 in Ekurhuleni.

The institutions are being merged to enhance service and development opportunities provided to the youth.

The Agency will link up unemployed young graduates with economic opportunities; strengthen efforts to expand the National Youth Service Programme and support young entrepreneurs.

Speaker and Chairperson, Distinguished Guests, next month our beloved Madiba will turn 91. People all over the world still continue to clamour for his presence and for him to address their crises.

His values and his example of dedication to the service of humanity is a shining example in today's troubled world. An international campaign has been initiated by the Nelson Mandela Foundation and related organisations, called Mandela Day, which sums up what Tata stands for:

Mandela Day will be celebrated on the 18th of July each year. It will give people in South Africa and all over the world the opportunity to do something good to help others.

Madiba was politically active for 67 years, and on Mandela Day people all over the world, in the workplace, at home and in schools, will be called upon to spend at least 67 minutes of their time doing something useful within their communities, especially among the less fortunate. Let us wholeheartedly support Mandela Day and encourage the world to join us in this wonderful campaign.

Honourable Speaker and Chairperson Fellow South Africans, we have presented to the nation our programme for the next five years. Attached to each commitment we make is a detailed project plan, with targets and critical milestones.

This information will in due course be made public. Indeed as citizens we should at the same time ask ourselves what is it that we can do on our own to help promote this national programme. To be a citizen is not only about rights, it is also about responsibility, to make a contribution to make ours a better country.

We also expect to work well with Opposition parties in Parliament, in the spirit of putting the country first. In addition, Madiba taught us well that this country belongs to all, black and white. Working for reconciliation and unity will remain important as we move forward.

Since the implementation of our programme will take place in the face of the economic downturn, we will have to act prudently - no wastage, no rollovers of funds - every cent must be spent wisely and fruitfully. We must cut our cloth according to our size.

Fellow South Africans, working together we can do more to realise our common vision of a better and more prosperous nation!

This is the partnership we are calling for.

I thank you!

This is a moment of national renewal

New Leader of the official opposition, Athol Trollip spoke in four official languages in his Maiden speech visibly heralding a new approach in Parliament.

Hon. Speaker, President Jacob Gedleyihlekisa Zuma wena mfo ka Msholozhi, Nxamalala, wena kama - phuma epethe inyama ngapha namasi ngapha, siyakuhalalisela ngokukhetwa kwako msholozhi.

Mina neQembu engi liholayo iDemocratic Alliance siyalihlonipha iHovisi lako. Futhi singathanda kakhulu uma ingxenywe yeqembu eliphikisayo kanye nabalandeli abangu three million abalikhethile nabo bahlonitshwe.

Mr. President, you reminded us at your inauguration that this fourth democratic term of office is a moment of national renewal, you committed yourself and so to this parliament to the historic undertaking made by President Mandela, that never, never and never again would this land experience the oppression of one by another. You referred to his spirit of reconciliation that shone so brightly through the regrettably brief window of national pride during the late 1990's. The window is still there, all we need do is draw back the dark drapings that have shut out the light in the past decade. This is a task that we are all surely up to.

We were treated yesterday to the powerful words of two Patriotic Poets that gave us soul food. We, the privileged few of this Parliament, must take care of our National "thread".

You committed yourself to this in Pretoria, you said "I commit myself to the service of the nation with dedication, commitment, discipline, integrity, hard work and passion".

I too commit myself and my 66 colleagues in the National Assembly and my 10 colleagues in the NCOP to do the same. Your State of the Nation address was indeed positive, we need to be positive in these difficult times, but we need to be realistic and honest about the economic realities too.

We have no choice in this regard, because the people of this country have become disillusioned by what we do or don't do here. If we do not change the way we do things, we might hear from the people of this country what the parliament of Oliver Cromwell heard from him, when he put their term of office to an end. In 1653, Cromwell said that those representatives had dishonored the parliament by their contempt of all virtue and practice of every vice.

He said "you have grown intolerably odious to the whole nation, you are deputed here by the people to get grievances redressed, yet yourselves have become the greatest grievances and enemies to all good government".

Mr. President, your international undertaking to hold ourselves to the highest standards of service, probity and integrity and to build a society that prizes excellence, rewards effort and shuns laziness and incompetence, is the clarion call that our nation so desperately needs and deserves to hear.

The challenge however, is not only to speak these fine words as you did yesterday, but to ensure that they translate into fine actions. There are immediate



concerns that this noble intent is being undermined right here in Parliamentary Committees by the appointment of people to positions of public authority that obviously do not espouse these values, people that have actually defrauded Parliament. The ANC will have to consider whether these appointments are in accordance with your public blueprint of national renewal and the call to arms against the cancer of corruption that is ravaging our country.

The DA commits itself to the proposed partnership for reconstruction, development and progress that you spoke of, because you said that in this partnership there is a place for all South Africans, black and white. You significantly made to me no differentiation between the languages they speak or of their ethnicity; this is the essence of a true rainbow nation!

The party that I represent here, is a party for all South Africans and we have promised our almost 3 000 000 voters that we will contribute to building one nation with one future, therefore if you mean what you say, we can be partners in building this country into a prosperous nation.

As jy kyk hoe ons hier, as die DA lyk, sal jy besef dat ons 'n weerspieëling is van ons bevolking, en nog meer, dat ons almal Suid-Afrikaners is in murg en been. Ons verteenwoordig nie kolonialiste of uitgewekende Suid-Afrikaners nie. U of die ANC kan ons nie wegwens nie, want ons is kinders van die stof van die vasteland van Afrika, ons het nie 'n ander heenkome nie. Suid-Afrika is ons tuisland en ons wil en sal tot haar vooruitgang bydra, deur ons rol as die amptelike opposisie in die Parlement.

Professor George Devenish recently said: "A responsible opposition is as necessary to the proper functioning of Parliamentary democracy as is a responsible government." It requires political maturity to recognise this fact.

Personally, I am South African to the core, my bookcase in my office proudly accommodates my grandfather's Hansard records of his contribution in this parliament, and they have found their way back to parliament more than half a century later: I come from a family that has served this country and also paid the ultimate price over generations. My family and I remain committed to this cycle of service motivated by proud patriotism and a deep love for this country; so are my colleagues.

The DA commits itself to the proposed partnership for reconstruction, development and progress that you spoke of, because you said that in this partnership there is a place for all South Africans, black and white

Mr President, I appreciate the way you welcomed our Party's leader, Premier Helen Zille to your cabinet Lekgotla. You have done what you committed yourself to doing at your inauguration on the 9th May where you said that you "seek a vibrant, dynamic partnership that is enriched by democratic debate, that values

diverse views and accommodates dissent." This example will hopefully eventually reach the ANC representatives in the Western Cape Legislature and their alliance partners too.

Amalungu we ANC eKapa. Abonwabanga behleli kwikohlo yendlu yowisom thetho, kodwa bazakuyi qela landawu.

The DA is accustomed to occupying the benches on the left of this Parliament and in most provinces, but all opposition parties aspire to occupy the benches that you and your party occupy – we have achieved this now in the Western Cape and plan to do so here too. We will not be spectators or passive participants. We will hold you to account on your electoral and manifesto promises, we will play an even more vigilant oversight role, but will always offer alternate views and advice in the best interest of the country in this regard. The role of the planning and monitoring commissions with regard to performance evaluation of the cabinet will be closely watched and I hope the evaluation will be implemented better than the PFMA and MFMA have been.

Speaking of that, it is now more important than ever that we recognise the full extent of the international recession and the fact that we are firmly gripped therein. We must begin to isolate the opportunities for South Africa in this global predicament. Many skilled people who left our shores are returning. We must harvest their skills and place them in the vacant critical posts of the civil service to improve service delivery.

For far too long now, too many parents have encouraged their children to attain worldly education so as to be globally mobile – the truth is the pastures are not greener on the other side, we must encourage our family members and friends to contribute to the development of South Africa and Africa. This is a place of enormous opportunity, but we will only succeed if our children and grandchildren become teachers, doctors, nurses, policemen, detectives, transport specialists, engineers, scientists and telecommunication experts with the view to applying these skills to the advantage of a neglected continent and a developing country.

The 2010 Soccer World Cup will be a massive success; we showed that we could host the Indian Professional league T20 tournament to the amazement of the entire world.

The tournament could not be hosted in India, because of their fractious elections, yet we hosted it with three weeks notice during our own elections. We cannot allow this golden opportunity to showcase our wonderful country to the world to be jeopardised by self serving parochial protestations.

When we come out of this cycle of recession the focus of the developed world will become fixed on Africa and South Africa in particular and we are the gateway to a continent, blessed in abundance with the natural resources that are in such short supply elsewhere. This will be our springboard to unprecedented economic growth and prosperity if we are appropriately prepared.

Op die oomblik het U Mnr die President, twee dinge in gemeen met die President van die Vereenigde State, President Barak Obama. Julle is albei onlangs verkies en julle moet albei die gevolge van 'n resessie hanteer en voorkom.

Not the best time to become a president, but many of the greatest in history have emerged from similar adversity. I hope for our country's sake that your name will be added to the illustrious list of successful post recessionary presidents. Remember though, at this time, that it is the poor that need more attention and they depend more on effective and efficient service delivery. The ANC's cadre development policies have compromised service delivery standards and needs for the good of the country to be reconsidered.

What will also make things more difficult for you than President Obama, is the dichotomous composition of our cabinet and party, this is going to prove extremely difficult to handle, especially with regard to your macroeconomic approach in dealing with economic growth and the creation of decent jobs. A decent job is not one created by an expanded public works programme that incidentally abuses most labour legislation and takes people out of penury for a brief while whilst they dig a trench from point A to B, only to be plunged back into having to illuminate their homes again by candlelight or paraffin lamp when they had become accustomed to flicking a switch on a wall.

Mr President, I appreciate
the way you welcomed our Party's
leader, Premier Helen Zille to your
cabinet Lekgotla

Your welcome reference to reducing bureaucratic red tape restrictions in order to allow for easier licensing and reception of SMME is good news, but you neglected to tell us what you are going to do with the most inhibiting factor in this regard which is restrictive labour legislation.

Die SAKP leier en Minister van Hoë Onderwys, Dr Blade Nzimande het byvoorbeeld onlangs onomwonde gesê dat wat SA nodig het, is 'n sosialistiese ekonomiese beleids raamwerk, en hy het verder gegaan om te sê dat die ANC nie langer die belange van sy linkse alliansie vennote kan ignoreer of toegelaat gaan word om dit te doen nie. Mnr Heinrich Wyngaard van Die Burger het heeltemal reg gekommenteer dat dit sterk woorde is van die nuut bemagdigde linkervleuel wat kennis gee dat hulle die dividend vir hulle aandeel aan U verkiessing soek. Ons gaan fyn dop hou om te sien hoe hierdie tweedeligheid ontvou.

Your duty is to serve the country, not the communist party or the ANCYL. What is more, is that you cannot afford their socialist agenda. With a constricting economy, tax revenues will decrease drastically and your expensive plans of infrastructure spending,



New Leader of the official opposition, Athol Trollip

Photo: Mark Wessels

expanded public works programmes and additional social grants can only come from greater deficits which is ultimately irresponsible in this economic climate.

The economic realities of this country are going to determine much of what we do over the next five years and the ANC and its socialist tripartite alliance members would do well to recognise that our population estimates are way off the mark. This has direct impact on planning and the provision of social services such as hospital, housing, education and social security. This situation will have to be dealt with much more effectively and efficiently by Home Affairs and the Department of International Relations and corruption is endemic in these departments. However, this fact also directly affects the Departments of Police, Justice and Constitutional Development, State Security, Transport, Tourism and Trade and Industry. South Africa is the destination of choice for African immigrants and we need to be properly geared to effectively deal with the consequences of these migration patterns.

Mr President, much has been said about the olive branch that you have extended to the opposition - Ndifuna ukuthi namhlanje ukuba andikaliboni elohlhla lomnguma mna - ndi bone bephiwa amaqabi oonumzana ababekekileyo u Pieter Mulder kunye no Themba godi - kodwa thina siyi'DA asikaboninto, pofu thina si xakwe yitlofiya kuba siphumelele apha emphumina kapa.

It is a source of great concern for the DA to be called secessionist by none other than the former Deputy President, Baleka

Mbete. It is also unacceptable that the Chief Whip of the ANC in the NCOP can say the following about the Premier of the Western Cape, "I want to say Chair and of course Hon. Chief Justice, that I am not a racist. If she wants to lead her race, she has the right to do so. She has won the race to lead, but not the people of my province. This is my home, and she has to be very serious when she leads the people of this province". My question is, who are "our" people and who says we are not serious? This was said without rebuke from the Chair of the NCOP, the ANC or the media. No-one in the DA here or elsewhere has ever uttered such racist drivel about the ANC electoral victory or indeed your appointment Sir.

Neither have we called people witches or lesbians with the designed intent to malign and foster homophobic or genocidal emotions. We have not called any elected representatives an enemy of the state nor threatened to make anywhere ungovernable. This kind of rhetoric has no place in our society, less so in our Parliament. I hope that this debate will not set the tone for this term of office, so that we can concentrate on the seminal issues that challenge our nation's prosperity.

Incidentally, the DA will be a Government for all the people of the Western Cape.

This Parliament will have to rise to the occasion "en ons sal mekaar se hande moet vat" in die gees van 'n Suid-Afrikaanse gemeenskap as die 'n periode van hernuwing gaan wees.

Thank you.

A Patriotic opposition

By Mvume Dandala

Newly nominated Congress of the People Parliamentary leader Mvume Dandala emphasised the need for clear economic policy direction

Mister Speaker,
The Honourable President of the Republic,
Honourable Members,

The Congress of the People (COPE) welcomes the opportunity to engage you on your speech and the plans of your executive. Thank you for sharing your plans with us. Many South Africans welcome and agree with your analysis of what the problems facing our country are. Where we need greater engagement is on how we shall respond to these.

I will focus particularly on the key issues of the recession, the debilitating poverty facing our people as well as the state of our education as a tool for the people to extricate themselves out of these difficulties. I

commend you for reminding us that we have a nation to build together. We support this call as it is at the heart of our own Agenda for Change and Hope – an agenda on whose mandate we stand here to speak, an agenda that would guide COPE in being a patriotic opposition.

Recession:

The prudent economic policies that South Africa pursued over the last 15 years are in part responsible for shielding South Africa from the global economic crisis up to now. We must commend the pursuit of policies of frugality and prudence that characterised the country's macroeconomic strategy. We now know that we are in a recession and it follows, as you acknowledged, that



the extent and pace of your expenditure will be limited. We hope government will not be tempted to overspend without consideration for these tough times in pursuit of targets set when the recession was not factored in.

Looking at the government's response to the recession however, a few questions yearn for answers:

What is the Government's practical intervention as a response to this recession? The country is left guessing about suggestions made by some of your alliance partners to consider huge bail outs, suggestions made by others to bankroll companies and or banks in distress and so on. A clear statement in this regard needs to be made – the investor community cannot afford to be left guessing.

How are ordinary people going to be shielded and helped to survive? This goes beyond the generic mention about the social partners' consultation that would apparently stop retrenchments. This sounds already too challenging as it is ambitious. What are the details of the industries involved – can we really regard as adequate a blanket solution that would seek to simply re-train all people facing retrenchments without looking at the bigger picture, without saying how sustainable solutions for companies in distress can be found?

How are fears of ordinary people going to be addressed? Job losses, repossessions and retrenchments are the order of the day. I missed in your speech a programme that inspires confidence amongst ordinary people and how they should weather the storm in the face of repossessions by financial institutions. Is there a plan to engage these institutions in the face of high repossession rates? Is there at least a call to these institutions by government to present a plan that would shield people from their crumbling financial situations?

The timing of the decision to increase the size of government and therefore add more than a billion rand in state expenditure sends a wrong message to a country that is asking its citizens to tighten their belts when its own first act is to increase the salary bill of government. The least we would have expected is for the rationale of this decision to be explained to the nation by no less than the President himself.

Poverty

All of this happens in the face of debilitating poverty. As you correctly point out 13 million people are reliant on social grants. It cannot be right that a quarter of the population has to be



COPE's Parliamentary leader wears the party's leadership mantle in the Assembly

Photo: Mark Wessels

reliant on grants. The unemployment rate is now officially on 30%. We agree with you that we need to extricate our people from this dependency. We need to hear how the government plans to create stable and decent jobs for our people. We will look closely at the promised 500 000 jobs in the next six months, hoping that these will not merely be job opportunities where a person who has worked one week here and another day there is counted as one job.

To this end we call on you to announce without delay the overdue BBBEE council.

In the past your government has produced fine ideas and plans for poverty eradication programmes such as the RDP, GEAR, ASGI-SA and JIPSA. One expected that we would hear your analysis on the impact and effect of these grand schemes. We are left with a feeling that reference to them was not made because they were not successful. Where is the follow up work on them? Or are we going to see new plans without a proper evaluation of these? What is the plan to tackle poverty on a sustained basis? How are we planning to utilise social grants and public works as stepping stones to sustainable job creation, thus dealing with systemic poverty and turning South Africans into economically self sustaining citizens?

What is the rural development strategy of this government? It is disappointing that after 15 years we still do not have a well tried and developed strategy to transform our rural areas into economically active hubs. We nevertheless welcome the pilot project in Giyane. We will watch it with baited breath and anxiety to see whether or not a whole department created to deal with this will produce what people throughout rural South Africa yearn for.

There is a need for parliament to be fully exposed to the plans to tackle poverty – here is another issue that is beyond party politics but must be the business of all of us in this house.

Nation Building

Mr. President, we welcome your call for nation building; we also need to caution that such a call cannot be made lightly

How are fears of ordinary people going to be addressed? Job losses, repossessions and retrenchments are the order of the day

We believe that it is crucial to ensure that government intensifies the effort of building and supporting SMMEs and new enterprises. One hopes that government will also improve on the issue of timely payment of SMME's to avoid killing them. On the private sector side, the monitoring of the BBBEE legislation that forces companies to procure from SMMEs and spend resources on building new enterprises needs urgent attention.

Photo: Rodger Bosch



Photo: Masimba Sasa © PictureNET Africa



COPE founding members Mbazima Shilowa and Mosioua Lekota

anymore. COPE members in the civil service are being hounded out of their jobs. We will encourage them to use your hotline sir, to complain and ask your office to take up their plight. The harassment of Prof Pityana, Prof Nkuhlu and many others urgently calls for your intervention.

We take encouragement in the hope that the president will call on all in our nation to affirm political dissent as a fundamental right that must be defended for our democracy to thrive.

Nation building must become more than just a slogan. We welcome and embrace the Mandela day as Madiba truly belongs to all of us South Africans and people of the world. His legacy will inspire us to build tolerance.

Education

Finally we are pleased that the President has highlighted the culture of learning. We support the rallying of children to study, the rallying of teachers to teach. It is the success of education in the long run that will help our people to extricate themselves from poverty as well as lay a foundation for the building of a value-centered society.

Because of the importance of education we need to invest very seriously in the infrastructure to make education a success. The phenomenon of Schools under trees for example, is an embarrassing neglect of resourcing schools – is there a plan? This matter of national concern did not make it into the speech. Is it because of fear

that once again government will fail to eradicate this crisis?

Are there plans to intensify vocational education? This is the sure way to ensure young people are extricated from poverty – this is a sure way to plant a seed of entrepreneurship.

Conclusion

As we have said many times over, the problem in our country has never been policy. The state of our nation is that of despair when it comes to service delivery. That is why we welcome your determination to hold ministers accountable. It is important that the role of parliament in oversight in that regard not be compromised but be seen as a partnership to ensure delivery all round. We look forward to a discussion between your ministries of evaluation and planning about how parliament will be included to ensure overall accountability. We also hope that this focus will permeate all levels of government, particularly at local level.

We respect the choice of our people at the polls and we wish you and your government well as you implement the promises you have made. We on our part pledge to work with you as a patriotic opposition focused on giving our people hope, focusing on fighting for change.

Where you excel we will commend you, where you falter we will be there to point it out and work with you to build a country where all our people can be safe and prosperous.

By Pravin Gordhan

Steering the ship through the storm

South Africa's new Finance Minister was at pains to emphasise the challenges we face amidst global turmoil and change

Honourable speaker,
Mr President,
Deputy President,

Honourable members,

Mr President, your administration takes office during one of the toughest economic times in living memory. South Africa is facing its first recession in 17 years and we are witnessing global economic conditions last seen during the great crash of the stock market in 1929 and the depression that followed. This is a reality we must accept.

Thanks in part to the health of our public finances; this is not a paralytic constraint. We remain committed to the goal of a better life, inclusive economic growth, decent jobs, and dignity and social justice for all our people.

Adversity and challenge have always inspired South Africans to reach greater heights. Ours is a long-standing culture of resilience, creativity, and a passion to deliver and to overcome the odds.

The new challenge you put to us is to focus on better delivery, and to work together in the spirit of co-operative governance and partnership with all sections of society. We remain mindful that the collective sum of a well-directed programme of action is far greater than the sum of its individual parts.

Mr President, you have inspired us to ask the tough questions, to be humble



Photo: Henner Frankenfeld © PictureNET Africa

The South African parliament in Cape Town

and reflective about our shortcomings. The current challenges require us to find new ways of doing things. We must be willing to shift or transform our paradigms so that we can be more focused and effective in delivering the priorities outlined in the State of the Nation Speech.

The global economic crisis

According to the IMF, "the global economy is in a severe recession inflicted by a massive financial crisis and an acute loss of confidence. While the rate of contraction should moderate from the second quarter onward, world output is projected to decline by 1,3% in 2009 and to recover only gradually in 2010, growing by 1,9%. Achieving this turnaround will depend on stepping up efforts to heal the financial sector; while continuing to support demand with monetary and fiscal easing."

The global crisis is not of our making. However, the virus of this crisis affects the entire globe. The damage has spread from the financial sector in developed countries to the real economy all over the world. It is now accepted that the crisis we are facing today can be traced back to the early 80s with the deregulation of many financial institutions. Some institutions became "too big to fail". Unconstrained greed and the failure of risk management and corporate governance are hallmarks of this crisis.

The impact of the financial crisis on the real economy and the depth of uncertainty have evoked questions and debates about economic models. There are now calls for a fundamental change to the relationship between governments, citizens, capital markets

and the rest of the economy. The crisis is challenging conventional wisdom amongst economists, ratings agencies, and the financial sector itself. Deputy President Motlanthe and Minister Manuel have engaged with the G20 and other institutions to develop a global response.

South Africa is weathering the storm.

Like the rest of the world, South Africa has not escaped the effects of the global recession. Since the last quarter of 2008, our economy has been in decline, export earnings have fallen and jobs have been lost. Nonetheless, we are better off than many other countries in the world.

The immediate implication for fiscal policy in South Africa is that, despite the best efforts of our Revenue Service, tax revenues, after adjusting for inflation, are expected to decline. Needless to say, there will be limitations to what we can spend. Our ability to borrow from the capital markets is now limited by higher borrowing costs.

We are compelled therefore to separate in the programme of action those things that need to be done urgently, from those that will have to await a more favourable economic outlook. We must also ensure that every rand that the government spends achieves the set goals and has the desired impact.

In February this year, taking account of the global economic slowdown, government tabled its most expansionary budget in our short history. As a result our economy is weathering the devastating storms only because of tough decisions taken earlier. As we weather the storm we must also address more fundamental issues impacting on job creation.



We must "never waste a good crisis". The current global contagion presents us with an opportunity to transform and restructure our economy so that we can take full advantage when the tide turns. The budget provided for a deficit of 3,8% of GDP, and together with the borrowing requirement of state owned enterprises, the public sector borrowing requirement is set to reach R186 billion.

Foremost amongst our responses to the economic crisis is our R787 billion infrastructure investment programme. In general, the major projects are on track and are being funded. The National Treasury is working with Eskom, Transnet, the National Roads Agency and our water authorities to ensure that these enterprises can borrow the required funds in the capital markets with state support, where necessary.

The budget also announced a significant step-up in spending on public works programmes. I want to reaffirm a commitment made by my predecessor, Minister Manuel in this regard. We also welcome the inclusion of a community works programme under the auspices of the EPWP and we will endeavour to support this new stream of projects.

We must "never waste a good crisis". The current global contagion presents us with an opportunity to transform and restructure our economy so that we can take full advantage when the tide turns

Our approach will continue to ensure fiscal sustainability. We will find creative ways of funding government's programmes. We are determined to root out corruption and inefficiencies. We will ensure that government gets value for the money it spends. We will create better synergies and effective partnerships both within government and with other stakeholders.

In addition to these measures, National Treasury is working with other departments to implement recommendations made by the Joint Presidential Economic Working Group in response to the global economic crisis. Job creation is the joint outcome of several things: industrial and trade promotion, labour market arrangements, skills development, macroeconomic management, investment in technology, rural development, land use planning, housing and urban development.

Parliament has revived the Appropriation Bill, allowing for the 2009 budget proposals to take effect.

Other legislative procedures include the revision of the list of department names in terms of section 14 of the Money Bills Amendment Procedure and Related Matters Act which Minister Baloyi is finalising. Government's spending programmes for the present year are well under way. We have also identified the need for strategic alignment between state-owned enterprises and development finance institutions in order to maximise capital investment in the domestic economy. The capital resources and delivery mandates of development finance institutions will be better co-ordinated to facilitate and give impetus to the development programmes in our economy.

Better alignment of these institutions with government's strategic priorities will strengthen our developmental agenda. In the course of this year, I will table proposals to a committee of Ministers overseeing our development finance institutions to consider how we can draw private sector financial institutions into appropriate co-financing and risk sharing arrangements, in support of infrastructure investment and broader access to credit.

Over the past decade considerable progress has been made, Honourable Speaker, in improving our tax system and broadening the tax base. Government is still required to raise revenue, even in these difficult times. This would require all of us to pay our fair share of taxes, and stop the abuse of our tax system. I am happy to report to this House that as at 31 May 2009 we have seen a 10% increase in the number of tax compliant employers, demonstrating that even in the face of the crisis more companies are willing to do business legally. The South African Revenue Service (SARS) will intensify its efforts to detect and contest non-compliance.

This is in accordance with international best practice, the IRS of the USA has been asked to hire 10 000 more auditors to raise more taxes and combat off-shore tax schemes! It is imperative that we deal with all forms of leakage from the state, especially at a time when every cent needs to be properly used for its intended purpose. Accordingly, the National Treasury will establish a unit to monitor and investigate corruption in public procurement processes. It will focus on both government employees and private sector involvement in these crimes.

Our priorities going forward : Let me turn briefly to some of the areas of public expenditure and service delivery that will enjoy priority in the period ahead. One of the strengths of our current fiscal structure is the social assistance system that brings relief to households that would otherwise be without income support. Considerable work has been done by an interdepartmental task team on options for improving both savings and contributory social security in partnership with the financial services sector.

I look forward to working with my Cabinet colleagues and this House on a more integrated social security system that



Photo: Gianluigi Guercia, Pool

Members of the South African Parliament are seen after taking an oath during the swearing in of members of Parliament and the president in Cape Town, South Africa

encourages savings and broadens the coverage of risk benefits. Of particular importance is the approach we take to financing health services. We face immense challenges in this area, not just because of the burden of diseases associated with HIV and tuberculosis, but also because modern comprehensive health services are expensive and highly complex. We have to find cost-effective solutions to the challenge of providing and managing health services, and we have to find better ways of working together with the private sector in building the infrastructure required, managing services and training professional staff. Following the State of the Nation Address on Wednesday, I have set up a task team at the National Treasury to work with health officials to explore models for broadening public-private partnerships in the health sector.

We are fortunate, Honourable Speaker that our fiscal position is strong, public debt is moderate and the foreign reserve position of the South African Reserve Bank is in good health. These are considerable blessings, due in large measure to the foresight and wisdom of my predecessor. These strengths mean that we are able to continue with the expanding infrastructure investment programme announced in recent budgets and overseen by the boards of Eskom, Transnet, the National Roads Agency and other public entities. And we are able to continue with the broad-based social assistance

programmes that are provided for in the national budget.

These are fiscal strengths, to which we should add the technological and financial capability of the South African business sector, and the collective vision and mobilising power of organised labour and civil society. To these formidable strengths, Speaker, we can surely add the great disciplines of modernising societies – hard work, a culture of savings, and respect for social institutions and shared family values, nurture of the land and the natural environment – and payment of taxes when they are due.

Our development path is about building state capacity, and about strategic alliances with partners with business, labour, civil society; strategic partnerships that may be local, regional or global in their reach. Our development path is about restoring economic growth, decent jobs and livelihoods, and about a clear understanding of the respective roles of government and the private sector that support the dynamic of an enterprise-based economy while continuing to invest in the institutions and enabling arrangements of a just and inclusive society.

So, Honourable Speaker we reaffirm our commitment to finding lasting solutions, wiping away the hunger and fear on children's faces and eliminating the hopelessness and despair of being jobless. That, Honourable Speaker, is our commitment to the people of South Africa.

Planning the Future's Framework

By Trevor Manuel

New Minister for National Planning in the Presidency, Trevor Manuel lifts the lid slightly on what shape planning itself might take

Honourable speaker,
Mr President,
Mr Deputy President,
Honourable Ministers and Deputy Ministers,
Honourable members,
We should all agree that the State of the Nation Address has launched this fourth Parliament in a decisive and determined way. The positive and pensive contributions of the 44 members who have contributed bode well for parliament. I trust that this is an expression of the hope of renewal and not merely a honeymoon for a brand new President.

The Address on Wednesday did what it set out to do provide a high level overview of the strategic choices that this government has made. I know some honourable members are chomping at the bit, demanding detail of the various programmes I must plead that this was not an omission. Parliament will, in the course of the next few weeks, engage individually with Ministries and departments on their implementation plans, making the picture much, much clearer.

The essential message from the address is that, notwithstanding our best endeavours of the past 15 years, we must now redouble our efforts to ensure even better outcomes. Also, that we must understand that the prevailing circumstances are now much tougher than any we have had to confront hitherto.

The President confirmed that we are now in recession, and deep as it is, our policies have spared us the worst

ravages of this global recession. The contraction of 6.4 % of Gross Domestic Products seen in the first quarter is still much lower than that of almost the entire industrialised world.

The global economic downturn has been worse than any forecast a year ago. Organisation for Economic Co-operation and Development (OECD) economies are expected to experience no or declining growth for nearly two years. For many developed economies, the slowdown started in about the second quarter of 2008 and will continue at least until the third quarter of 2009, perhaps longer.

The International Monetary Fund (IMF) revised down its world growth forecast six times in 2008 and three more times in 2009. By April of this year, the fund's forecast for world growth had turned resolutely negative, -1.3 for the global economy in 2009. Advanced economies are expected to contract by -3.8% in 2009, and experience zero growth in 2010.

For the developing world, the forecast looks somewhat different, but the experience of decline has been widespread and damaging. Developing economies are expected to grow by 1.6% in 2009, compared to the robust 6.1% achieved in 2008.

The slowdown in the developing world has been driven by sharp contractions in export manufacturing and the sharp declines in oil and commodity prices. For Mexico, Korea, South Africa, Brazil, and Malaysia, manufacturing production declined in the first quarter of



Photo: Nic Bothma, Pool

Minister in the Presidency Trevor Manuel, left, talks with President Jacob Zuma, right, during the swearing in of members of Parliament and the president in Cape Town, South Africa

2009 by an average of 14%. Exports have typically dropped by about 25% in the first quarter:

In recent weeks, indicators of activity in the developing and developed world have stabilised. In some instances they have even improved, as in China, where industrial output for the first quarter was up strongly after a sharp drop in the fourth quarter of 2008.

Despite these "green" and "brown" shoots, some major risks loom perilously large. These include still high levels of indebtedness of households and the rising interest burden of governments, the negative effects of governments having to reduce their debt burdens and the fact that employment may continue to fall for some time even after economic output recovers.

For South Africa, the growth forecast remains subject to the vagaries of the world economy and our own domestic risks. So while inflation has made some progress in coming down from the highs of 2008 and this has enabled a decline in interest rates, oil prices and nominal wage pressures present further risks.

The recently released results for the first quarter of 2009 were considerably worse than expected, but we do need to recognise that they are now water under the bridge and we should see somewhat better figures in the latter part of this year. Sustained growth in public infrastructure, government consumption, better commodity prices and the improving interest rate cycle, will tend to support the economy in the months ahead. A stronger recovery in the rest of the world would feed-through into improvements in our domestic view as well.

Difficult as these issues to deal with are, they do not come as a surprise. In the budget speech on 11 February this year we said, the storm that we spoke of last year has broken and is more

severe than anyone anticipated. Our response to the present crisis is to face the challenges before us boldly and as a nation united. Our duty is to construct a South African approach, founded on our own vision for a shared future. This approach can only be built on an engagement between social partners, not just at the level of national dialogue, but on factory floors and in community halls.

Our resolve will be tested to the limits. We have to put self-interest aside. We have to face each other honestly and openly. Our task is to see through the challenges of economic vulnerability today to the construction of the new South Africa that is our passion and our pride. We can do this entirely better as a united people.

So, we must forge this South African response and the State of the Nation Address speaks directly to this. A South African response must take account of the nature of the domestic impact of this global recession, must take account of our domestic institutional arrangements and must proffer distinctly South African solutions. The State of the Nation Address dealt with this in large measure, saying, "We take as our starting point the framework for South Africa's response to the international economic crisis, concluded by government, labour and business in February this year:"

We must act now to minimise the impact of this downturn on those most vulnerable. We have begun to act to reduce job losses. There is an in-principle agreement between government and the social partners on the introduction of a training layoff. Workers who would ordinarily be facing retrenchment due to economic difficulty would be kept in employment and re-skilled for a period of time.

Discussion on the practical detail is continuing between the social partners and the institutions that would be affected by such an initiative, including the Sector Education and Training Authorities.



So there are the beginnings of firm plans and proposals on the table. These must be fully costed and tested and wide spread support and ownership generated to ensure success.

But, in addition, we are now committed to a significant improvement in outcomes by a focus on improved planning and performance management. There are at least five distinct reasons for this:

- Firstly, in recognising that we have a great, modern Constitution, we must acknowledge that the powers and functions in respect of service provision are highly dispersed across the three spheres of government. If we desire better outcomes, then we must improve on the co-ordination of effort
- Secondly, we will have to institutionalise the linkages between the three spheres of government to ensure appropriate initiation of programmes and improve on the mechanisms for equalisation so that we can counteract the mass exodus from rural areas
- Thirdly, we must all agree that there is no market for public services issues such as employment, distribution, infrastructure, environment and human skills development demand a better co-ordinated push, because often the momentum is towards fragmentation
- Fourthly, we have to concentrate on building a more competent public administration which is both more focused and more accountable
- Fifthly, we have to deal with resources today to meet tomorrow's needs.

We must act now to minimise the impact of this downturn on those most vulnerable. We have begun to act to reduce job losses

This will be the focus of our work over the next period. This will not be done in secret. I hope, Mr President, to place a green paper before parliament in the course of the next few weeks to engage honourable members on where and how planning would fit into the government system, what role we hope to play, what linkages are required and what thematic areas would be covered by the planning function.

I repeat that we will forge a distinctly South African approach. Right now, we can recite chapter and verse on the operations and successes of Planning Commissions in countries as diverse

as South Korea, India, Turkey, Brazil, Chile and many others. In acknowledging their efforts, we want to avoid the risk of merely attempting to supplant their experiences; we will forge a distinct approach tailored to the needs of our own situation.

In order to succeed, Parliament will have to be more involved in all areas of planning and oversight. There must be a shift in emphasis from a cursory discussion on the allocation of resources to an intensive discourse on the outcomes. As we traverse this path, the luxury of talking past each other will have to be a speck in our collective history.

Let me admit here, Mr President, that I have been assigned many tasks that are easier than the challenge to develop a planning framework. Let me briefly share some of what the planning process will entail:

- First, the longer term vision, for at least a 15 year horizon must be developed as a statement that is clear, widely supported and eminently attainable
- Second, we will then have to develop a series of shorter term plans for ten and five year periods that are more detailed, better costed and which contain more measurable development targets
- Third, the coordination of the development of the Medium Term Strategic Framework and its unpacking into detailed plans for each of the strategic priority areas. Cabinet, advised by the Minister of Finance, would then align the Medium Term Expenditure Framework with the strategic priorities of government
- Fourth, though not quite in this sequence, we will have to ensure that the planning frames of the two other spheres of government are synchronised
- Fifth, we will continually undertake research to ensure that our choices are informed by evidence and good research on long term trends and plans. While in many areas or sectors we have good quality long term plans, we need to do more to encourage long term planning throughout government and the state owned enterprises
- Sixth, we recognise that this approach will indelibly alter the way in which government operates, enhancing the sense of mutual accountability of Ministers, of public servants, of departments and of spheres of government to each other
- Finally, while doing all of this, we must attempt to remain sane and tolerated.

The development of good and coherent plans is only half the work. We need concerted action to avoid or prevent fragmentation in government. As such, there is a coordination function that is essential, driving this plan through all of the spheres and tentacles of government and ensuring that we are all singing off the same hymn sheet.

The good news is that all of this will only work if Parliament is differently involved not merely waving support to a passing 15 year vision, but actively participating in debating the options and

overseeing its implementation. We will have to break through the tunnels down which we peer. The objective is what has loosely been termed "joined-up government". For us, this is about the massive construction of the developmental state that places the emphasis on those outcomes measured in the regular and significant improvements in the quality of life of the nation's poorest.

I repeat that this is the more difficult path to pursue. It would be far easier to chirp from the sidelines, because that has defined the modus of too many for too long. Let me highlight a few examples from the debate over the past two days. The President in his address, spoke to the challenge of education when he said, "To improve the learning environment, we have to ensure during the term of this government, that all public schools have water, sanitation, electricity, as well as critical facilities such as libraries, sufficient classrooms, laboratories and ICT infrastructure."

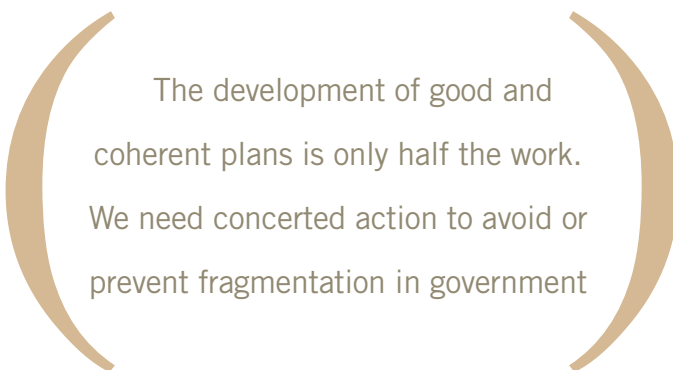
Yet the Honourable Dandala claimed that the President did not touch on the matter of classrooms and learning under trees. The President, in dealing with healthcare matters said, "We are seriously concerned about the deterioration of the quality of health care, aggravated by the steady increase in the burden of disease in the past decade and a half."

We have set ourselves the goals of reducing inequalities in health care provision, to boost human resource capacity, revitalise hospitals and clinics and step up the fight against HIV and AIDS, TB and other diseases by 2014. We will introduce a national health insurance scheme in a phased and incremental manner. In order to initiate the National Health Insurance System (NHI), the urgent rehabilitation of public hospitals will be undertaken through Public Private Partnerships.

Yet, the Honourable Meshoe spoke as though the matter of healthcare transformation was not raised as a detailed priority. The issue of jobs is, of course, uppermost on the list of African National Congress (ANC) priorities. At the same time, there's a realism that explains that, while the objective remains the creation of the maximum number of decent jobs, in order to get there and to ensure that there is food on the table of more households, there will have to be a short-term emphasis on sustainable livelihoods. On this score, the President said, "As part of phase two of the Expanded Public Works Programme, the community works programme will be fast-tracked. It offers a minimum level of regular work to those who need it, while improving the quality of life in communities. The economic downturn will affect the pace at which our country is able to address the social and economic challenges it faces. But it will not alter the direction of our development. The policy priorities that we have identified, and the plans that we placed before the electorate, remain at the core of the programme of this government." He also said, "Another important element of our drive to create job opportunities is the Expanded Public Works Programme (EPWP). The initial target of one million jobs has been

achieved. The second phase of the programme aims to create about four million job opportunities by 2014. Between now and December 2009, we plan to create about 500 000 job opportunities."

The intentions, to clear these are not permanent jobs, they are job opportunities and they serve to provide durable infrastructure or essential services, sustainable livelihoods and



training opportunities. There is no promise of immediate industrial or service sector jobs. This is the reality despite what both self-styled analysts say and what the Honourable Trollip raised here. Public works job opportunities are not the first prize, but they are important in dealing with the ravages of poverty. Virtually every country across the globe is instituting emergency measures such as this, and I want to plead with this August House not to dismiss this initiative on the one hand, it pays more than what most farm workers earn, but more importantly, it stands between poor families and absolute hunger.

The debate on economic policy will remain topical way beyond our lifetimes. It could not have been the intention of this State of the Nation Address to attempt to resolve it. I wish to express the hope that Parliament will afford itself adequate time to have the economic debate. There are certain inescapable realities, among them the fact that we have not been as badly affected as many other countries.

His Excellency reminded us of this and pointed to a way forward in saying, "While South Africa has not been affected to the extent that a number of other countries have and its effects are now being clearly seen in our economy. We have entered a recession. It is more important now than ever, that we work in partnership on a common programme to respond to this crisis." The partnership cuts across all that divides us race, class, gender, geography and political party lines. The theme was raised on 11 February when we said, "Our resolve will be tested to its limits. We have to put self-interest aside. We have to face each other honestly and openly." This spirit is even more necessary now.

Thank you very much.

By President Jacob Zuma



Photo: Nic Bothma, Pool

Replying to representatives

Replying to the State of the Nation debate President Zuma seeks to reassure on pending Constitutional Court appointments and responding to global adverse times

Speaker of the National Assembly,
The Honourable Prime Minister of Kenya,
Mr Raila Odinga,
Ministers and Deputy Ministers,
Honourable Members,

One of the most wonderful things about being a South African is our very progressive Constitution. It allows a multiparty constitutional democracy, which enables the government of the day to benefit from the views and opinions of many political parties. This enriches the work of government. In the Presidential Inauguration address we called for a partnership for reconstruction, development and progress.

We believe we moved one step closer to that goal during the debate on the State of the Nation Address,

which was our first interaction since the inauguration. The debate has been both instructive and encouraging. It has demonstrated that all parties in this House without exception are earnest in their commitment to this country and to harmonious relations amongst its people.

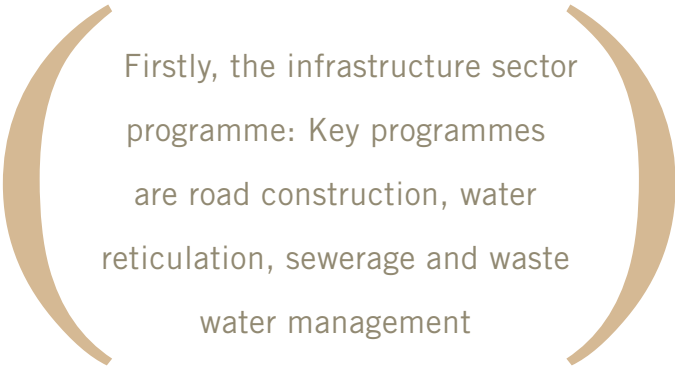
Regardless of our differences as political parties, I believe that we have a common goal, which is to make South Africa a great country. We take all contributions to the debate in that spirit. We have noted too, Honourable Speaker, that this House will seriously hold the Executive accountable. As Hon Thaba Mufamadi said, this will be a "strong activist Parliament".

As the national executive, we welcome increased oversight to assist us in achieving our target of effective and efficient government. We will work harder and

smarter and the South African people will be the beneficiaries of this constructive robust role of Parliament.

There will always be moments when we have no choice but to work together for the common good of our nation. It is when we are able to work together in that manner; that South Africa will be more united and prosperous. When opening the debate, the Chief Whip of the Majority Party, the Honourable Mathole Motshekga, reminded us to focus on that which makes us human. He referred to the call by former ANC President, Rev ZR Mahabane, for "the recovery of the humanity of all people."

That has been a guiding tenet of the ANC for the many decades of its existence. It will be a central feature of our shared efforts over the term of this government, because we know that working together we can do more to build a great South Africa. Decent work and a steadily improving quality of life are essential for the recovery of the humanity of all our people.



Firstly, the infrastructure sector programme: Key programmes are road construction, water reticulation, sewerage and waste water management

So too is empowerment through access to quality education and skills development. Safe water, affordable energy, decent shelter, and cohesive, secure and vibrant communities are similarly all important for the recovery of this humanity.

To be treated with respect and dignity, by one's fellow citizens, and by those who have the responsibility of providing a public service, is important for the recovery of our humanity. Central to this recovery of our humanity is also the need for access to economic opportunities and to earn a living. That is why we are determined to lessen the impact of the economic downturn on the most vulnerable.

Honourable Members, we agree with a number of speakers about the seriousness of the global economic crisis. We can draw some encouragement from the fact that as South Africans we have not experienced the worst effects of the global downturn, due to the prudent macro-economic policies that had been followed.

From the Ready to Govern document of the early 1990s, the pursuit of our objectives has always been based on the maintenance of a stable macroeconomic environment. This is not going to change. The Honourable Kenneth Meshoe has raised a concern, whether or not we would have sufficient funds to bail out companies in distress during the downturn.

You will be pleased Hon Meshoe to hear that there is no intention on our part to utilise the fiscus for general company bail-outs. As we indicated, we are working with development finance institutions such as the Industrial Development Corporation to identify such companies and, where appropriate, mobilise assistance.

The Hon Ryan Coetzee is correct in saying that the steps we take now must not undermine our ability to take advantage of the upturn. It is also important for us to ensure that the interventions we make do not distract us from our longer-term socio-economic objectives. We must also keep the productive capacity of our economy intact so that it can respond in a timely fashion to the revival in demand as the global economy recovers.

It is important that our manufacturing, agriculture and mining sectors are ready for the recovery. That means we must do our best to retain skills and labour. Honourable Patricia de Lille summed up what should be our approach as a nation to this problem when she said: "The global recession means that we need a plan around which all South Africans can rally, a plan that can tap into our collective patriotism, skills and wisdom, and bring us together as a nation."

Honourable Members, a number of speakers made reference to the targets we have set with respect to the second phase of the Expanded Public Works Programme.

I reiterate that we intend to create about 500,000 work opportunities this year, as part of our goal of creating about four million such opportunities by the end of this five-year term.

Let me emphasise that these measures are not a substitute for the permanent jobs that must be created and sustained in the economy. The key sectors of the Expanded Public Works Programme are as follows:

Firstly, the infrastructure sector programme: Key programmes are road construction, water reticulation, sewerage and waste water management.

The second programme is the social sector, aimed at creating work opportunities through the provision of public social services.

The key programmes in this sector include the Home and Community Based Care programme which entails provision of care and support for those infected and affected by HIV and AIDS, as well as personnel required for the expansion of the Early Childhood Development programme.

The third EPWP intervention is in the environment and culture sectors. Programmes include Working for Water, Working on Fire and Land Care. New initiatives on waste management, including the Food for Waste Programme, will be expanded.

This is one of the measures that government has put in place to alleviate poverty and provide income, work experience and skills development to many who are unemployed. The Minister of Public Works, Honourable Geoff Doidge, will provide more information during the department's budget speech.

Honourable Members, as part of the war against poverty, Government has also committed itself to specific goals concerning the development of a comprehensive social security system.



The new system seeks to ensure access to social security as provided for in Section 27 of the Constitution.

We are working on reforms in the areas of retirement provision; national health insurance; unemployment insurance; compensation for injuries and diseases on duty; and road accident insurance. Honourable Bantu Holomisa, we have noted your emphasis on the need to deliver quality services in the rural areas. We are fully committed to change the face of rural areas.

We must heed the clarion call of the Minister of Rural Development and Land Reform, Hon Gugile Nkwinti, who said "phezukomkhono", "vukuzenzele", "siyazondla", imploring all to swing to action to make the Comprehensive Rural Development Programme a reality. There has been a lot of interest in our new national Planning process. In the coming two months, the Presidency should have completed work on the systems and structures to deal with this matter.

This will form the basis of a Green Paper for public discussion in Parliament and by the nation at large, as explained by the Minister in the Presidency responsible for National Planning, Hon Trevor Manuel. We are also encouraged by the universal support for the monitoring and evaluation system.

This includes their handling of complaints when problems were brought to their attention.

I also wish to thank uMntwana for his counsel on the economic situation. I continue to hold uMntwana in very high regard. He is a tried and accomplished elder statesman of our nation. The IFP and the ANC have come a long way.

Working together under extremely difficult conditions we managed to bring about peace and stability nationally and in particular in KwaZulu-Natal. We must respect the will of the electorate, and work together to improve the lives of our people, especially the poorest of the poor.

We fully agree with Hon Dr Pieter Mulder that the public service belongs to all South Africans, and it should serve all South Africans, regardless of party political affiliation. We have also noted the comments of the Honourable Dene Smuts on the judiciary. Amongst the key principles in the Constitution is that of the separation of powers between the legislature, the executive and the judiciary, with appropriate checks and balances to ensure accountability, responsiveness and openness.

When we speak about the pace of transformation in the judiciary, Honourable Members, it is not because we want to infringe on its independence, which we uphold and will always defend. The transformation of the judiciary entails amongst others having a court system that the people of South Africa have confidence in.

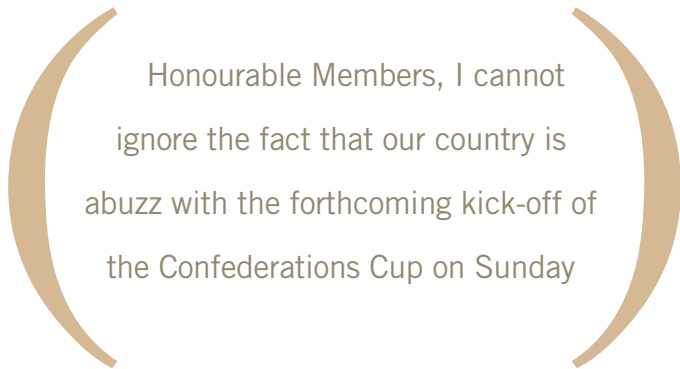
Obviously as part of this, we need to ensure that judicial officers reflect the demographics of our country. If the numbers of women and Black people acting as attorneys or advocates are low, we cannot avoid looking for the obstacles that hamper their representation. The transformation of the judiciary is however more than just a question of the composition of the bench.

It is also about ensuring an integrated, accessible and affordable court system; it is about judicial training and ensuring that we have judicial officers who are steeped in and reflect the progressive values of our constitution. It is about ensuring that all people have access to justice both in the criminal and the civil courts.

I would like to assure Honourable Smuts and the House that when the President exercises his powers when it comes to the appointment of judicial officers, in terms of the Constitution, he will act in the best interests of the country. Honourable Members, we noted the call by the Minister of Police, the Honourable Nathi Mthethwa, to the youth to join the fight against crime.

This being Youth Month, we trust that the youth will join the Minister and government in this national duty. We agree with the Minister that we should all be part of the effort to "reclaim our peace, security and comfort".

In my address, I stated our concern at the deterioration of the quality of health care, aggravated by the steady increase in the burden of disease in the past decade and a half. The AIDS epidemic is among the conditions chiefly responsible for the latter. The Hon Sandy Kalyan feels I should have said more about HIV and AIDS.



Honourable Members, I cannot ignore the fact that our country is abuzz with the forthcoming kick-off of the Confederations Cup on Sunday

It should be emphasised though, as also pointed out by the Honourable Matladi of the UCDP, that the monitoring and evaluation system will not be aimed at punishment. This is not a trap-and-catch exercise. The intention is to improve service delivery.

The Monitoring and Evaluation system will include an early warning system to assist us, working with the affected Departments, to ensure that urgent corrective action is taken when weaknesses are identified. There are no super Ministries, but just colleagues who will be working together to find new ways of doing things more effectively. The Honourable uMntwana wakwaPhindangene, Inkosi Mangosuthu Buthelezi raised various critical issues.

Shenge also raised issues related to the elections. Our confidence in the Independent Electoral Commission is unwavering. The men and women of the IEC have never been found wanting with regards to delivering free and fair elections.

The Honourable Member has been outspoken for years about health care in our country, and her concern is well known. Government is firmly committed to the full implementation of the AIDS plan, which offers a comprehensive response to this grave epidemic. Importantly, the targets described in this plan are not merely government targets. They were set together with our social partners after extensive consultation. The targets require a properly functioning public health care system to which all our people have access.

That is why we have emphasised our plans to construct and rehabilitate public health care facilities, improve management and other systems, and address with urgency the working conditions and remuneration of health professionals.

This includes finalising all matters relating to the Occupation Specific Dispensation, particularly proposals to address all the remaining categories.

We are pleased that all the parties share our commitment to education. We have started to step up our efforts aimed at providing resources and skills to our schools. For example, to bring our educators into the 21st century we intend to introduce a Teacher Laptop Initiative. The project will be phased in over a two-year period starting from 1 July 2009.

Our aim is to ensure that by 2012, every teacher has access to a laptop computer and the internet. I am sure that this will contribute immensely towards motivating our educators to improve the standard of teaching and learning in our schools. The Honourable Narend Singh underscores the point that we must act now to ensure our natural resources are protected for future generations.

We will strengthen our capacity to investigate and prosecute environmental crimes, enforcing a zero tolerance approach to illegal and unsustainable exploitation of resources.

A critical starting point is to ensure that all organs of state themselves comply with environmental legislation. Honourable Members, our arts, culture and heritage define our national identity. During the election campaign I had the opportunity to engage with our creative arts fraternity. I was informed of the challenges faced by artists, and they requested government to intervene to transform the industry.

After the State of the Nation address, I received an e-mail from Eugene Mthethwa of the popular kwaito music group Trompies. He expressed disappointment that I emphasised sport as a unifying force, to the exclusion of arts and culture in my address. I would like to assure Eugene and all in the creative industries sector that we remain fully committed to supporting the development of our country's arts and culture.

Music, including kwaito helps us to bridge barriers and is one of the most unifying elements of our arts and culture. Kwaito may have started as a township art form, but today attracts a steady flow of young people from across the racial divide.

We reiterate also that the artists must organise themselves without any delay, so that government can interact with them as an organised formation. The Department of Arts and Culture is planning to meet with the artists soon to take these matters forward.

Honourable Speaker, some of the speakers lamented the lack of extensive detail in the State of the Nation Address on these issues. Naturally, a State of the Nation Address immediately after an election deals with the translation of the election mandate into a five-year government programme.

As such it becomes almost impossible to go into detail on each issue. As I indicated last Wednesday, the Medium Term Strategic Framework and the detailed programme of action will be published. In addition, the relevant Ministers will elaborate these issues during their Budget votes this month.

Honourable Members, I cannot ignore the fact that our country is abuzz with the forthcoming kick-off of the Confederations Cup on Sunday. The growing confidence within Bafana Bafana and the arrival of visiting teams has added to the soccer mood all over the country!

We welcome all our visitors and wish them an excellent stay in our country. A warm welcome to FIFA Secretary General, Jerome Valcke and Danny Jordaan, CEO of the Local Organising Committee, our special guests who have brought the Confederations Cup trophy which is on display in Parliament today. It should inspire all of you to fill the stadiums! May the best team win. Of course no one can blame us for believing that that team should be Bafana Bafana! Let us all go out and support the beautiful game.

Ladies and gentlemen, let me reiterate that the debate on the State of the Nation Address has made me optimistic that it is possible for us to find issues on which we can interact constructively as elected representatives. It has reminded us of the need to recover our humanity, which transcends political differences. I am convinced that we are going to work very well together as parties represented in parliament.

Our view is that we are now gravitating towards identifying national interest issues. Unity, reconciliation, constructive and decent engagement, and tolerance are emerging as common issues that we all feel strongly about. The recession and 2010 FIFA World Cup are some of the issues that are beginning to bring us together. It is not an easy period given the economic climate. We are given strength by the warm words of many colleagues in the Opposition Benches.

Honourable Athol Trollip remarked that it is not the best time to become a President due to the recession. But perhaps we should hope that this adversity will draw out the best in all of us.

Thank you to all for the words of encouragement. Working together we can and will do more to build a great South Africa!

I thank you.

Who is to rule the law?

By Tony Leon

With the independence of the judiciary under increasing pressure, the resurrection of two controversial pieces of legislation threatens to place more power to control the courts in the hands of the government

The issue of judicial appointments, especially in jurisdictions such as our own, where the courts have wide powers to strike down legislative acts deemed repugnant to the Constitution, has always been controversial.

Under the apartheid legal order, where Parliament, rather than the Constitution, reigned supreme, the State President appointed judges on the advice of his Cabinet. There was no filter between the executive and the appointment of its own jurists – and certain judges were appointed, or

not appointed, for blatantly political reasons. However, in practice and by convention, judges were appointed almost exclusively from the ranks of practising senior advocates.

In the dying hours of the constitutional negotiations in November 1993 at Kempton Park, which paved the way for South Africa's new democratic order, I was intimately involved, as the Democratic Party's negotiator on justice, with the dramatic tussle over judicial appointments. The crisp and controversial issue was

a joint National Party (NP) government and African National Congress (ANC) proposal that all ten of the Constitutional Court judges would effectively be appointed by the President and the Cabinet, with four positions reserved for serving (old-order) judges. My objection – which widely mirrored extreme disquiet in academic, legal and civil-society circles – was that the lynchpin of the new legal order would be open to blatant political manipulation, at the level of selection, and would simply ape the discredited appointment mechanism of the past. However, the crucial difference was, of course, that the Constitutional Court would be entrusted with far greater and more sweeping powers than any other in South Africa's history.

One of the ironies in the NP-ANC proposal (which had been designed by Justice Minister Kobie Coetsee, who promptly leaked it to me, when some of his Cabinet colleagues expressed dismay at its contents and consequences) was the acceptance of a Democratic Party proposal that a Judicial Service Commission (JSC) be entrusted with recommending all judicial appointments, other than for the Constitutional Court.

For the final five days of the constitutional negotiations, my party colleagues and I spent the midnight hours arm-twisting with Coetsee and ANC justice negotiator (and subsequent Minister of Justice) Dullah Omar. We eventually persuaded them, and their principals, after acrimonious public debate and more fruitful private meetings, that the President could only appoint Constitutional Court Judges from a closed list prepared and vetted by the JSC. He would not be able to substitute his own names for those on the list – but would receive three more names than the number of vacancies to be filled. This appeared a reasonable, although not ideal, compromise, and *Business Day* claimed the event to be the “most dramatic turnaround in the entire negotiations process”.

The results of the Kempton Park compromise were reflected in the Interim Constitution, which governed South Africa until

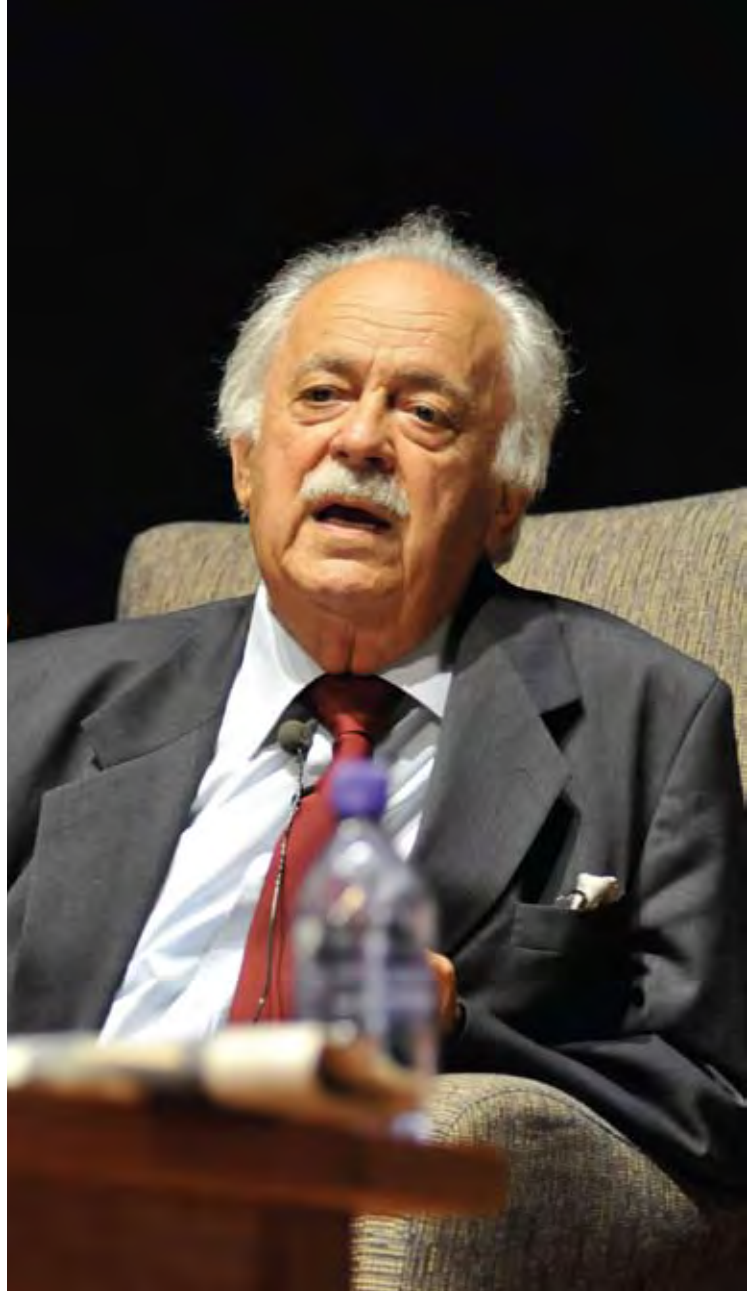


Photo: Mark Wessels

Parliament, sitting as the Constitutional Assembly, enacted the 1996 Constitution. During this period, the JSC consisted of 19 members, with a fairly even balance between politicians and presidential appointees (six and four respectively) and nine members of the judiciary, the legal profession and the academic community.

Initially, on the vexed question of balancing the transformation imperatives and the apartheid inheritance, the JSC proceeded cautiously. In terms of diversity, the judicial larder was almost bare: by April 1994, of the 166 judges in South Africa, 161, or 97%, were white males. Only two were white women, and only three were black men. The JSC, in its 1994 guidelines for questioning Constitutional Court applicants, emphasised the need for diversity, rather than blunt racial quotas, as the means toward the end of improving the bench's complexion: racial and gender representivity could not “be understood to refer to a need to constitute a court

which represents the races and genders in direct proportion to their share of the population ... (If) the constitution-makers had had such a need in mind, they would have enacted a system of proportional representation."

A profound shift, in both the politicisation and the methodology of the JSC, was apparent after the enactment of the 1996 Constitution. It expanded the size of the JSC to 23, and inflated the number of politicians to 15 (counting both Members of Parliament and presidential appointees), with the remaining representatives of the legal community shrunk to eight.

From September 1996, with the appointment of the first Chief Justice under the new order, it became apparent that race politics would be a primary consideration in respect of new appointments. In part, this was a reflection of the constitutional imperative contained in section 174 of the 1996 Constitution, which obliges the JSC to appoint "any appropriately qualified" person to judicial office, subject to the requirement that the bench "reflect broadly the racial and gender composition of South Africa".

Whatever the merits and precise meaning of this broad requirement, by the time the JSC met in June 2009, at its first meeting after the fourth democratic elections, it was clear that the judiciary had – in a relatively short span of a dozen years – been utterly transformed: of the 206 judges, serving in all courts, 54%, or 112, were black (including Indians and coloureds), and 45% were white. Seven of the 11 Constitutional Court judges, and the top-tier judicial leadership, were black. In the preceding year, the JSC had ensured that 87% of its nominees for vacancies in the High Court were black as well.

The gender balance had not been addressed as successfully, with women constituting barely 20% of all judicial nominees. However, through a programme of judicial education for practising lawyers, the JSC had set about deepening the pool of potential women appointees.

The triumph of transformation was not without its critics. In 2008, for example, the Supreme Court Judge of Appeal, Justice Carole Lewis, had cast severe doubt on the slew of new judicial appointees: "The appointment of lawyers with minimal experience to high courts has done the public no service. It is not only commercial litigants who suffer from the lack of experience on the part of many High Court Judges, but there have been horrifying convictions and acquittals where Judges have simply not understood the fundamental rules of evidence and criminal law."

Justice Lewis rounded off her plea that new appointments to the bench should henceforth be made only on the basis of "skill and experience", and not solely "because of race and especially not because of political fealty".

However, new Justice Minister Jeff Radebe persuaded the JSC to adjourn its proceedings, on the unprecedented basis that he wished to "consider the enhancement of the independence of the judiciary and the vital question of the transformation of the judiciary with regard to race and gender representivity".

However, since the JSC had, since its existence, been giving meaning and content to precisely the issue the Minister wished it to address, the clear explanation for the Minister's move lay elsewhere.

Undoubtedly, the governing ANC has been seized, since its Polokwane conference at least, with transformation of the judiciary in terms of control. The fact that Jacob Zuma had spent the four years prior to his election as President embroiled in judicial processes, and had used his eve-of-poll rally to demand further transformation of the judicial branch, and had wondered aloud why the Constitutional Court thought of itself as "God", pointed in this direction.

Radebe took the matter further, when he told an interviewer that he intended to proceed this year with the introduction of both the controversial Constitution 14th Amendment Bill and the Superior Courts Amendment Bill. Both had been initially introduced in 2005, and contain explosive provisions which would vest considerable authority over the administration of the courts and their budgets, and the appointment of Judges President, in the hands of the government, rather than where currently located – namely, with the judiciary itself and the JSC. The legislation would also downgrade the status of the Supreme Court of Appeal.

However, the crucial difference was, of course, that the Constitutional Court would be entrusted with far greater and more sweeping powers than any other in South Africa's history

George Bizos SC, both an admired human-rights lawyer and a member of the JSC, had warned that the legislation could be the "first step down the path taken to subjugate the judiciary". former President Mbeki withdrew the bills from consideration, after a chorus of eminent jurists joined the critique. However, the decision to reintroduce the legislation, coupled with the demand for further transformation, could indicate what commentator James Myburgh describes as "a sinister undertow".

The question of judicial appointments has also been on the front burner, given the imminent retirement, in October 2009, of four of the founding justices of the Constitutional Court, including Chief Justice Pius Langa. President Zuma has, in terms of the Constitution, applied greater discretion in choosing the Chief Justice and Constitutional Court members than he enjoys in respect of other judicial appointments, where he has to act



Photo: Don Boroughs © PictureNET Africa

Constitution Hill. The future of South Africa's Constitutional Court is in President Jacob Zuma's hands

on the recommendations of the JSC. The acid test of fortifying, or diminishing, judicial independence – and thereby either strengthening or weakening the rule of law – will be revealed when the President makes his selection.

One of the other key tasks of the JSC relates to the removal of judges on the grounds of its finding that a jurist “suffers from an incapacity, is grossly incompetent, or is guilty of gross misconduct”. But, in the absence of amending legislation, which Parliament has yet to enact, the Constitution limits the JSC role to conducting an enquiry under section 177, and then referring the matter to the National Assembly, which must pass a resolution supported by two thirds of its members calling for the judge to be removed. The judge currently in the sights of the JSC is the highly controversial Judge President of the Western Cape, Judge John Hlophe.

Previously, the JSC – in a split decision, which mirrored a racial fracture in its ranks – had declined to commence impeachment proceedings against Hlophe when it was found that he had made a beneficial ruling for commercial entity Oasis Holdings, from whom he had received a monthly retainer. University of Cape Town legal academics Hugh Corder and Richard Calland summed up the dilatory and unsatisfactory methods used by the JSC to conclude the matter, ultimately in favour of Hlophe:

“It took the commission the best part of a year to decide, since it could find no evidence to contradict Hlophe’s assertion that the late Minister of Justice Dullah Omar had given him oral permission to accept the retainer; that no action other than an expression of discontent at the way in which he had conducted his relationship with Oasis would be taken.

“In addition to sluggishness, there was discontent at the lack of transparency and the precise procedure used by the commission to investigate, as well as the binary nature of the sanctions available –

impeachment on the one hand, a slap on the wrist on the other.”

Yet barely had the JSC ended its first major entanglement with the Judge President, when in May 2008 it received an unprecedented complaint from the entire Constitutional Court that Hlophe had attempted to influence two of its members in a pending search-and-seizure case relating to the corruption trial of Jacob Zuma. More than a year later, this exceptionally serious charge, which, as the Constitutional Court notes, “violates the constitution” and “threatens the administration of justice”, has yet to be concluded. At various stages, and through innumerable court proceedings aimed at delaying the hearings, Hlophe has accused either the Constitutional Court, or the JSC, or both, of being “liars”, or “biased”, or serial violators of his rights.

The decision of the JSC to commence proceedings during an illness of Hlophe, and in his absence, led the High Court in Gauteng South to require the JSC to commence its proceedings afresh. However, Hlophe and his supporters have cited “racism” at the core of the judge’s “persecution”, and have specifically accused two of the most senior and respected members of the JSC, Bizos and Lex Mpati, President of the Supreme Court of Appeal, of “nefarious and despicable acts”.

There is no doubt that the stress-testing of both the judiciary and the JSC is entering an intense, and perhaps decisive, phase. Issues of control and power, and the ventilation of personal grievances masquerading as defence of principle, have already done great damage to our fragile constitutional order. However, without an independent judiciary and an appointments mechanism which is not simply an echo chamber of the governing party, the rule of law will wither on the vine. It is perhaps worth reflecting that of all variables measuring economic success, the most statistically significant variable predictor for prosperity is the rule of law.

By Pierre de Vos

A testing time for the Constitutional Court

Civil society must become involved in the debate about the selection of our new Constitutional Court judges, and it should – at least in part – do so on the basis of the principles involved in selecting ideal candidates

President Jacob Zuma will soon face an important test when he will have to appoint a new Chief Justice and at least three other judges to South Africa's Constitutional Court. These appointments have the potential to change dramatically the tenor of judgments emanating from Constitution Hill.

Over the past 15 years, the Constitutional Court has acquired a remarkable reputation for its progressive and carefully crafted decisions, which are widely read and admired across the world. The court has been careful to demonstrate the appropriate respect for the two other branches of government, while not shying away from difficult decisions vindicating the rights of often marginalised, poor and disempowered individuals and communities.

If the appropriate appointments are not made, the court might well veer to the right to endorse the views

and actions of the powerful, the rich and the social conservatives, and our democracy will be the poorer for it. It is therefore important for civil society to get involved in the debate about these appointments. At the same time it is imperative that the appointments process does not degenerate into party-political mud-slinging and jockeying for position.

In the United States, the appointment of judges to its Supreme Court has become a highly politicised affair. There the President appoints judges to the Supreme Court – although such appointments must be confirmed by the United States Senate. When a President nominates a judge to the Supreme Court, interest groups and opposition politicians pore over the record of the nominee and lobby hard for or against the appointment. This has tended to lead Presidents to appoint judges with

Photo: Susan Walsh



President Barack Obama and his Supreme Court choice Sonia Sotomayor during his announcement, Tuesday, May 26, 2009, in the East Room of the White House in Washington

little judicial experience to prevent opponents of a nomination from using the judgments of the nominee against the judge during the Senate confirmation hearing, with the result that the best candidates have not always been nominated and appointed.

When a seat opened up on the Supreme Court recently, President Barack Obama nominated Sonia Sotomayor, a Latina woman, to fill the post. The nomination was immediately attacked by right-wing groups because, so they argued, Sotomayor was nominated because of her ethnicity and not because of her knowledge or skills as a judge. Some of these attacks have been extremely ugly and even unfair, at least partly because of the highly politicised nature of the process.

In South Africa we have mostly been spared from this kind of partisan debate. There are several reasons for this.

Firstly, our Constitution explicitly states that the need for the judiciary to reflect broadly the racial and gender composition of South Africa must be considered when appointments are made, and there is widespread acceptance of the fact that the legitimacy of our judiciary depends at least partly on the racial and gender composition of the bench.

During the apartheid years, the judiciary was almost exclusively white and male. Moreover it was often called upon to enforce apartheid policies, which resulted in widespread distrust in it. Judges are unelected, and depend on the trust of the population to ensure

Photo: Alex Brandon



President Barack Obama looks on as his Supreme Court nominee, Judge Sonia Sotomayor speaks in the East Room Ceremony of the White House in Washington, Tuesday, May 26, 2009

while avoiding the rancorous, party-political squabbling that seems to bedevil the United States appointments process.

Secondly, the South African Constitution bestows an important role on the Judicial Services Commission (JSC) in the appointments process. Although the President has the final say on the appointment of the Chief Justice and the Deputy Chief Justice, the Constitution requires the President to consult with the JSC and the leaders of opposition parties before making such appointments. When then President Thabo Mbeki wanted to appoint Pius Langa as Chief Justice, Justice Langa submitted himself to a public interview by the JSC, who unanimously recommended his appointment. He thus set an excellent precedent that will hopefully be followed by President Zuma's nominee for Chief Justice.

Ordinary High Court and Supreme Court of Appeal judges are nominated by the JSC and must be appointed by the President after their nomination by the JSC. However, the President plays a bigger role in the appointment of Constitutional Court judges, as the Constitution requires the JSC to forward to the President three more names than the vacancies on the court for his consideration. The President must then select his preferred candidates from among the names presented to him by the JSC. Although the President therefore has a choice, this choice is circumscribed, and the President cannot appoint anyone to an ordinary seat on the Constitutional Court if that person does not appear on the list forwarded by the JSC.

This procedure militates against the overt politicisation of the appointments process and helps to ensure that considerations of judicial temperament and ability are not trumped by party-political considerations when appointments are made. Unlike during the apartheid years, when the Minister of Justice had absolute discretion in the appointment of judges, it is therefore more difficult (but of course not impossible) for the Executive to pack the court with party-political lackeys.

that their decisions are respected and complied with. Given our history with apartheid, an all-male and all-white judiciary would have no chance of engendering the kind of respect required for it to exercise the vast powers bestowed on it by the Constitution. I believe most reasonable people in South Africa understand this all too well. If this is true, it presents an opportunity to fill the present vacancies to the highest court with strong and credible nominees,

The JSC consists of representatives of the legal profession, Members of Parliament and four members appointed by the President. Although the JSC has rightly been criticised in the past for making some unsuccessful appointments to High Courts, it has by and large managed to find the right balance between the need for judicial transformation, on the one hand, and the appointment of judges who have internalised the values of the Constitution on the other.

It remains to be seen whether the recent spat between the governing party and the leadership of the judiciary, caused largely by President Zuma's trouble with the law, will disturb this delicate balance. There are clearly some members of the governing party who believe that the transformation of the judiciary requires the appointment of more pliable and Executive-minded judges who would not have the cheek to rule against the government when it infringes on the rights of ordinary citizens. However, I suspect President Zuma understands that his appointment of judges to the Constitutional Court will be closely watched by both local and foreign interest groups – including big business – and that he needs to send a signal that our government respects the independence of the judiciary.

If I am correct, this presents civil society with a real opportunity to be heard during the appointments process. We would do well to recall the warning by Mamphela Ramphele that South Africans have a tendency to be no more than passive citizens, and that this passivity poses a threat to the health of our constitutional state.


How we engage in debates about the judiciary is, of course, of critical importance. A sensitivity to the discourse on race and power, and an understanding of the role of the Constitutional Court as champion of the poor and downtrodden, seem to me to be essential. Those who engage in the debate about appointments to the Constitutional Court should take cognisance of this without abdicating their responsibility to “speak truth to power” and to point out the flaws of potential nominees. Admittedly, this is not an easy task, as has been shown by the racially tinged debate about the suitability of Judge President John Hlophe for appointment to our highest court.

Champions of Hlophe charge that those of us who have argued that Hlophe is not suitable for appointment are racists who want to impede the transformation of the judiciary. This despite the fact that Hlophe has lied about the nature of the money he received from

Oasis before he gave that same company permission to sue a fellow judge, which itself made Hlophe guilty of a clear conflict of interest.

One (admittedly imperfect and partial) way to deal with such charges would be to focus less on the individual personalities involved, and more on the broader principles regarding who an ideal candidate for selection to the Constitutional Court should be.

When President Obama announced the retirement of a United States Supreme Court justice on 1 May this year, he provided a handy starting point for such a debate. He would



Ordinary High Court and Supreme
Court of Appeal judges are nominated
by the JSC and must be appointed by
the President after their nomination
by the JSC

seek someone to nominate to the Supreme Court, said Obama, “who understands that justice isn't about some abstract legal theory or footnote in a casebook. It is also about how our laws affect the daily realities of people's lives – whether they can make a living and care for their families; whether they feel safe in their homes and welcome in their own nation. I view that quality of empathy, of understanding and identifying with people's hopes and struggles, as an essential ingredient for arriving at just decisions and outcomes.”

We would do well to heed the words of President Obama. Depending on how civil society deals with this issue and how President Zuma responds, the Constitutional Court will either continue to play its important watchdog role or it will become a toothless tiger without the will or intellectual capacity to defend the constitutional values for whom so many have sacrificed so much.

Imagining a Future SA

Scenario thinking imagines the future, especially during periods of uncertainty and transition. Scenarios are analytical constructs predicated on a diagnosis of the present: the seeds of the future are contained in the present. It involves reasoned reflection and intuitive construction of how the future might unfold and which paths we might take as a country.

The Dinokeng Scenarios project gathered together a diverse group of 35 South African leaders from all sectors of society, including civil society, the public sector, political parties, media, business, trade unions, academia, and faith based organisations to engage in discussions about the country's current reality and its possible futures.

Dinokeng, a Sepedi word meaning a place where rivers come together, was the location north-east of Pretoria where the workshops were held. Even the word captures the spirit of the dialogues: "A flowing together of ideas, perspectives and insights culminating in a shared vision of SA's future".

The Dinokeng Scenarios were developed over an intensive period from September 2008 to May 2009. The process involved four scenario building workshops, in-depth interviews with the Scenarios Team, in-depth research and analysis, and drawing on specialist expertise, external inputs and strategic stakeholder engagement. The Dinokeng Scenarios provide three possible futures for SA.

The first scenario, Walk Apart, tells the story of a weakening state and social cohesion that unravels into unrest and leads to disintegration and decline. The second scenario, Walk Behind, depicts a story of a strong state that intervenes in the economy and society, but breeds dependency and complacency among the citizenry, leading to disengagement and declining investment and a debt crisis. The third scenario, Walk Together, narrates the story of an actively engaged citizenry that holds government accountable and a responsive state that leads to cooperative governance and social compacts. The diagram on page 31 depicts the key dynamics of each scenario, ie. An interplay between state capacity and citizen engagement. For reasons of space this contribution has been reduced to a graphic representation of the three alternative Scenarios, which can be found on the following two pages.

The Dinokeng Scenario Team held diverse perspectives on society. Yet, the Team galvanised around two key pillars: the guiding principles of the Constitution and the heritage of the past, culminating in a shared understanding contained in the key Dinokeng messages. These expressed the belief that South Africa is at a critical crossroads: we have made

enormous achievements over the past 14 years, but we are also facing deep and critical challenges. Unless these issues are addressed, the gains we have made threaten to unravel. Central to this concern is the lack of leadership these challenges. The critical question posed by the Scenario Team was: "How do we, as a country, address our public challenges before they become 'time-bombs' that destroy our accomplishments?"

The Dinokeng Scenarios acknowledge our long legacy of entrenched inequality, racism and oppression. Among our enormous accomplishments since 1994 is the creation of an internationally-respected Constitution entrenching provisions for the independence of institutions such as the judiciary and the media; the establishment of a human rights culture; implementation of significant economic reforms; and the provision of basic social services to the majority of our population.

However, we face critical and interrelated challenges in the areas of: political development, economic development, and social development. In addition, we have the major challenges of poverty, unemployment, the HIV/AIDS and TB epidemics, crime, and youth marginalisation, exacerbated by the global economic crisis; all of which threaten the future prosperity of our country. These challenges are fully outlined in the Dinokeng Scenario Report: Three Futures for South Africa, published in May 2009, but some highlights of our present situation include the following:

Political Challenges

State capacity is critical to addressing all of our key challenges; but it is weak and uneven in the critical areas of service delivery, especially local government, home affairs, education and social development. While pockets of excellence, such as the Treasury, SARS, Reserve Bank and the IEC exist, the accountability and financial management of the public service is severely compromised. In the 2007/8 Report of the Auditor-General, a mere 21% of national government departments and 5% of provincial departments received an "unqualified audit", with 70% of the poor audits due to mismanagement of capital assets. The lack of state capacity is worse at local government level, where a study revealed that 79 out of 231 local municipalities and 4 out of 47 district municipalities had no technical or engineering capacity.²

High profile corruption cases have created concerns about the moral authority and legitimacy of leaders, leading to a dramatic decline in public confidence in national government, from 73% to 55%

between 2006 and 2008. The Business Confidence Index has declined from 84% in 2006 to 34% in 2008. Forensic audits of fraud in the social grant system reveal that in 2004, R1.5 billion was defrauded and 41,000 civil servants fraudulently received grants. By 2006, 80,000 people were granted indemnity from prosecution by government, but a further 35,000 new cases were uncovered and a further 12,000 civil servants were exposed for claiming social grants fraudulently.³

Economic Challenges

While considerable progress has been made in extending the social safety net, some 40% of the population, including approximately 15.3 million children remain below an income level of R430 per person per month – the official Treasury Poverty Line in 2007.⁴ While real per capita income has increased in all Deciles, with a 79% increase in Decile 1 (lowest) and a 37% increase in Decile 10 (top), income inequality has also increased, with the top Decile 94 times higher than the lowest Decile, in 2006.⁵ Inequality, as measured by the Gini Coefficient, has increased from 0.61 in 2003 to 0.62 in 2006, while the Gini Coefficient for African people was 0.63 in 2006. Inequality has not only increased between, but also within racial groups. Chronic unemployment continues to affect the poor; the youth and African people disproportionately. The unemployment rate in the lowest quintile households is 72%, whereas in the top quintile it is 7%.⁶

Social Challenges

In education, despite increased enrolment and some improvements in school infrastructure, South Africa's education system continues to fail the post-1994 generation as the quality of education and outcomes continue to deteriorate. Our basic literacy in reading, science and mathematics ranks among the lowest in the world (TIMMS 2003).⁷ Regarding health, South Africa has the 4th highest prevalence of TB and HIV/AIDS in the world, with an increase in HIV prevalence from 10% in 2005 to 11% in 2007 and 30% prevalence among young women in the 15 to 19-year-old group.⁸

Our demographic profile and youth bulge indicate a serious challenge in terms of future labour market provision and social cohesion. More than 50% of 20 to 24-year-olds are unemployed and about 750,000 youth leave school per annum; only 29% with a Matric Certificate. A 2005 study by the HSRC revealed that 38% of young people have experienced violence at home and 15% at school, and 57% of youth have considered committing a crime. The implications for social disintegration are obvious.⁹

Despite a marginal drop in crime rates, the state has failed to secure citizen safety. The 2008 Ibrahim Index places SA 7th from the bottom of 48 countries in Africa in terms of safety and security. Contact crimes have increased substantially: house robberies by 14% (2007/8), business robberies by 47% (2007/8) and truck hijacking by 40% (2007/8). Ironically, 40% of these crimes occur in only 4% of police precincts.¹⁰

Conclusion

These issues cannot be addressed by government alone, but require an engaged network of leaders from all sectors of society to take

responsibility for the future of the country. The Dinokeng Scenarios envision trends over a 12-year period, from 2009 to 2020; amid a global economic crisis in the early years and two elections, which potentially alter the trajectory of South African society.

The Dinokeng Scenarios sound a clarion call that 2009 is a fork in the road: a period of choice. Just as we made tough choices in 1994, we will need to make new and tough choices now to avert the unraveling of the gains of democracy. The responsibility for addressing the critical challenges cannot be solely attributed to government; leaders from across all sectors need to take responsibility for the legacy of the past and the present. Citizens, business and civil society have too easily abdicated responsibility to government to solve all of society's problems. As the Dinokeng Voices in the recently published Report proclaim, "The current crisis presents us with an opportunity to fix the problems, but it will require courage, single-mindedness and creativity. We can fix the problems; but we will need all hands on deck." If you want to walk fast, walk alone. If you want to walk far, walk together. (African proverb)

This article first appeared in *The Thinker* magazine, Volume 3/2009. Many thanks to Dr Essop Pahad for allowing us to reprint it.

Notes:

- 1 This paper is based on the Dinokeng Scenarios Report, but does not necessarily reflect the views of the Dinokeng Scenarios Team. The Dinokeng Scenarios is the collective product of the Dinokeng Scenarios Team. The Report and other materials are publicly available on the Dinokeng website at www.dinokengscenarios.co.za. The Dinokeng Scenarios Team was supported by a professional Secretariat, which was organized into work streams around research and analysis, writing, organising, communications and learning history. The Secretariat included Sarah Babb, Matt Bland, Adam Kahane, Itumeleng Mahabane, Alayne Mannion, Debra Marsden, Ishmael Mkhabela, and Yvonne Muthien. The project was funded by Nedbank and Old Mutual. The funders did not exercise any control or influence over the project. Given the diversity of perspectives of the Scenarios Team, this paper does not necessarily represent all their views.
- 2 RSA: Auditor-General Report 2007/8; Democratic Party, Questions in Parliament, 2008; A Kraak and K Press, Human Resources Development Review, HSRC, 2008; M Ramphele, *Laying Ghosts to Rest*, Tafelberg: 2008.
- 3 Institute for Justice and Reconciliation, SA Reconciliation Barometer Survey, 2008; RMB/BER Survey 2008; FNB/BER Survey 2008; SA Reserve Bank: Key Economic and Socio-Economic Indicators, Fact Sheet, 2008; M Ramphele, *Laying Ghosts to Rest*, Tafelberg: 2008.
- 4 M Altman, *2030 Horizon Scanning in SA: Domestic Economy*, HSRC 2007.
- 5 R Cassim, *Economic Growth and Income Distribution*, Dinokeng Presentation, 24 October 2008.
- 6 I & C Woolard, "Recent Developments in the South African Labour Market", in Institute for Justice and Reconciliation, *Transformation Audit*, 2008.
- 7 G Bloch, *The Education Roadmap*, DBSA, Dinokeng presentation, 24 Oct 2008.
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- 9 S Panday, "The Youth Bulge & Need for a Second Chance Policy in SA", Dinokeng presentation, 24 Oct 2008; E Pelsler, "Learning to be Lost", Presented at HSRC Youth Policy Initiative, 13 May 2008.
- 10 Ibrahim Index on Good Governance, 2008; SAPS Annual Report 2008.

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www.dinokengscenarios.co.za

THE DINOKENG SCENARIOS

In response to critical challenges facing South Africa today, a group of 35 South Africans from a wide spectrum of our society – civil society and government, political parties, business, public administration, trade unions, religious groups, academia and the media – gathered to probe our country's present, and to consider possible futures. They were brought together by six convenors, all of whom are actively engaged in our national issues.

PURPOSE

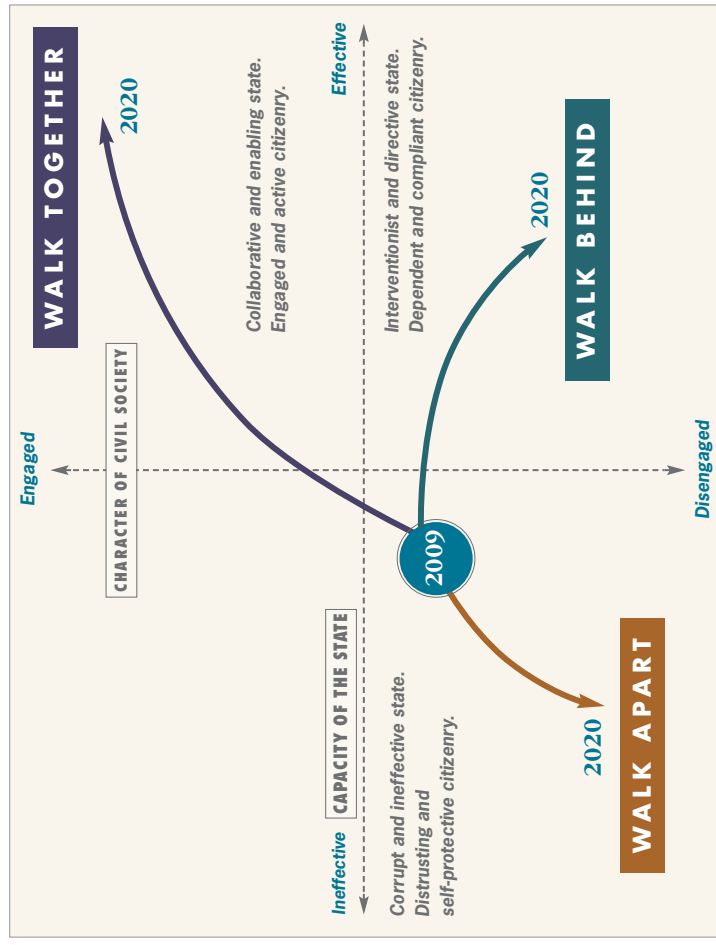
To create a space and language for open, reflective and reasoned strategic conversation among the broad community of South Africans, about possible futures for the country, and the opportunities, risks, and choices these futures present.

THE PROCESS

- 1** **Step One:** 35 leaders representing different sectors of society come together to discuss the current political, social and economic realities facing South Africa.
- 2** **Step Two:** Scenario stories on possible futures for South Africa are developed and the messages of the Dinokeng Scenarios are shared with various stakeholders.
- 3** **Step Three:** A media and engagement campaign is launched to extend the reach of the Dinokeng Scenarios to organisations, groups and communities across the country.

THE DINOKENG SCENARIOS

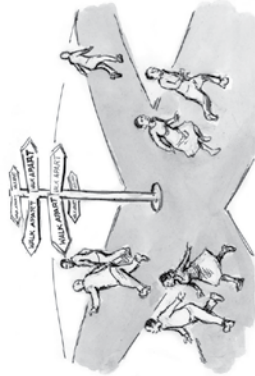
The scenarios suggest three possible futures for South Africa. These stories are intended to stimulate action-oriented conversations among citizens as to their options and choices.



SUMMARY OF DINOKENG SCENARIOS

This is a scenario of “musical chairs” or “reshuffled elites”. It is triggered by the failure of leaders across all sectors to deal with our critical challenges. This failure is the result of political factionalism and weak, unaccountable leadership, weak capacity in government departments, and tightening economic constraints that are not dealt with realistically or inclusively. Civil society increasingly disengages as public trust in public institutions diminishes. The state is increasingly bypassed by citizens, resulting in unaccountable groupings assuming power over parts of society. The gap between the leaders and the led widens. Citizens eventually lose patience and erupt into protest and unrest. The government, driven by its inability to meet citizens’ demands and expectations, responds brutally, and a spiral of resistance and repression is unleashed. Decay and disintegrations sets in.

South Africa faces critical social and economic challenges especially related to unemployment and poverty, safety and security, education, and health. These challenges are now exacerbated by a global economic crisis. If we fail to recognize the severity of our challenges, and if we fail to address them, we will experience rapid disintegration and decline.



KEY DINOKENG SCENARIO MESSAGES

**SECOND SCENARIO
WALK BEHIND**



This is a scenario where the state assumes the role of leader and manager. State planning and co-ordination are seen as central mechanisms for accelerating development and delivery to citizens, especially poor, unemployed and vulnerable people. The ruling party argues that strong state intervention in the economy is in accordance with global trends, and the electorate, concerned about the impacts of the global economic crisis, gives the ruling party a powerful mandate. Strong state intervention crowds out private initiative by business and civil society. The risks of this scenario are twofold: one is that the country accumulates unsustainable debt; the other is that the state becomes increasingly authoritarian.

State-led development cannot succeed if state capacity is seriously lacking. In addition, pervasive state intervention, where the state is everything and all else is subordinate, breeds complacency and dependency among the citizenry. Strong state intervention crowds out private initiative by business and civil society.



**THIRD SCENARIO
WALK TOGETHER**



This is a scenario of active citizen engagement with a government that is effective and that listens. It requires the engagement of citizens who demand better service delivery and government accountability. It is dependent on the will and ability of citizens to organise themselves and to engage the authorities, and on the quality of political leadership and its willingness to engage citizens. It entails a common national vision that cuts across economic self-interest in the short-term. This is not an easy scenario. Its path is uneven – there is robust contestation over many issues and it requires strong leadership from all sectors, especially from citizens.

We can address our critical challenges only if citizens’ groups, business, labour and broader civil society actively engage with the state to improve delivery and enforce an accountable government.





By M&G Critical Thinking Forum

No bull's eye for the FSC

With the contesting parties unable to bridge the gap between targets of 10% and 15% direct black ownership in the financial services sector, the sector charter missed a crucial deadline. What are the issues?

“Is the FSC holding the country to ransom?” On the eve of the deadline for the gazetting of the Financial Services Charter (FSC), blocked by disagreement about the percentage target for black direct ownership, the *Mail & Guardian* hosted a debate with a panel comprising Charmaine Soobramoney of the Association of Savings and Investments South Africa; Lot Ndlovu, Vice-Chairman of the Nedbank Group; and Ismail Momoniat from the Treasury. The moderator was Xolani Gwala, who, during the open discussion, invited Nkosana Mashiya, Chairperson of the FSC Council, who also works for the Treasury, to join the panel. These are edited extracts from the discussion.

MR NDLOVU

I wouldn't have thought the FSC was holding the country to ransom. This sector is critical to our economy, so it's important that the key parties make the progress they ought to make, but the fact that they haven't doesn't mean the country is not functioning. But [attention is not being] directed at the key issues of transformation which, if achieved, will further expand our economy and therefore benefit a lot of our people.



The panel explored South Africa's financial sector's empowerment conundrum amidst a global downturn

MS SOOBRAMONEY

The FSC was a voluntary charter that came into effect in 2004 and its sole objective was transformation. In my view it wasn't just paying lip service. We have surpassed some of the targets that we had set for 2008. So it's not holding the country to ransom, and has actually made quite a difference. It is sad that it has not been gazetted as yet. However, the industry as a whole has committed to transformation; they still comply with the charter in addition to the Department of Trade and Industry (DTI) codes.

MR MOMONIAT

Is the FSC holding to ransom those who perhaps want a bigger share, so that we empower the few? Even if it means that we destroy our banking sector? If anything, the FSC is much more ambitious in its objective of transformation than the codes. So perhaps it's holding to ransom those who don't want to transform the banking sector.

MODERATOR

There will never be any real transformation until the financial sector transforms, so that then cascades to other sectors of the economy. Where the sector is non-committal, isn't that holding the country to ransom?

MR MOMONIAT

On the contrary, that it is a voluntary charter makes it a powerful mechanism, because the sector as a whole is committed. And every year it produces an annual report to reflect on how it's performed.

It's also got an element of peer review, because one bank will watch the others, so that they can't become more competitive by not transforming. One big figure that stands out is five million Mzansi accounts to previously unbanked people. Transformation has been the key objective of the FSC. But it has to be aligned to the law of the land. And that is currently represented by the codes of good practice.

MODERATOR

Why this charter is not aligned to the law of the land? Doesn't that imply that some people in the sector are not committed to transformation?

MR NDLOVU

I happen to think this charter was flawed from the beginning. So what we see now is an outcome of a fundamental flaw, inherent from the very start. I'm not terribly surprised.



Complex challenges awaiting South Africa's financial sector are explored

MODERATOR

Ismail, you say the charter is good.

MR MOMONIAT

Not only is it not flawed, it's actually aligned. The big issue in dispute is the ownership target. The FSC had a 25% target [including indirect ownership], even before the codes did. But owning a significant share in a bank is a regulated activity. We, as the National Treasury, have to make sure that when you have more than, say, a 15% share of a bank, that that money is not borrowed; it is available. Because when a bank gets into trouble, you have to be what's called a shareholder of reference, and you have to put money into the bank. So you can't borrow money to buy a banking share. A bank can't produce its own money to buy itself.

MODERATOR

Some people have argued that BEE players can come up with imaginative solutions in-between borrowing and having reserves.

MR MOMONIAT

Nobody is saying that we, as government, are not open to looking at suggestions. But this financial crisis shows that a decline in the financial sector has a big impact on economic growth. So let's not allow those that are so innovative that they destroy the banking sector and bring down the country with it.

MODERATOR

When you talk about transformation you are talking about people who would not necessarily have billions in reserves. They will have to come up with interesting ways of raising capital to get the equity.

MS SOOBARAMONEY

There is a place for innovation. However, what exactly does Lot mean when he says it was fundamentally flawed from the beginning? Because if we realise how it's flawed, we can fix it.

MR NDLOVU

What we sought to do over these years of no progress on transformation was to fit it into the existing order – to tinker, as opposed to challenging the existing order. How do we address this question of the shareholder of reference if it stands in the way of restructuring the financial sector to the extent of changing the ownership patterns, allowing black people to come in? The reason we have not applied our minds to it is because we think transformation is something we can do while we do other things.

The panel probed both short term ownership and longer term transformation objectively

Whereas it is the introduction of the new order; therefore our mindset is wrong.

Secondly, on this particular charter, the participants were not, in my view, in sufficient standing to produce an outcome. It wasn't very clear who was going to call the shots. You cannot negotiate with no recourse, you have to have some power to be taken seriously – the black participants had no such recourse. If anything, they were beholden to the party on the other side for their own career growth. It was a sweetheart arrangement. The captains of industry determined the outcome, with no restraint from anybody.

Government played a very minimal role in transformation in this country. From 1998 it took four years to get us to the Employment Equity Act. When we got there, it had mixed agendas, with lack of focus. It took another four years to get the Broad Based Employment Equity Act. The process can't be simple if the mindset is not simple and determined. We should have had a comprehensive piece of legislation that applies to everybody, and the sectors respond to say how they'll apply it. And they get exemptions and additions, and that becomes your charter or the code, and we implement.

MS SOOBRAMONEY

I don't believe that the charter is flawed. It has very good objectives. It has transformed, if we look at the previous reports. There is more that we can and should be doing, but we cannot concentrate purely on transformation without making money. There needs to be a balancing factor.

We had inequalities in the past and we are working to redress them. We can't get every black person to own a bank, but we can make a difference from a charter point of view at every level. And the charter aims to do that. It's making a difference; we choose not to see the positive side.

MR MOMONIAT

I don't think we must read the ownership target incorrectly. What it says is at least 10% should be direct ownership. Nothing stops a rich black person, if he or she has the means, from buying 70% of a bank. But to be an owner, you have to have money on call, you've got to be rich. The charter enables even poor black people to have a share in a bank, without having the responsibility of having to put cash in when the bank is in trouble.

MODERATOR

As Treasury, do you acknowledge that by virtue of the condition you set, you have excluded a whole lot of people?





MR MOMONIAT

No, Treasury hasn't said that. This was a negotiated agreement. You had a very strong movement outside the FSC; people like Blade Nzimande went to Parliament, arguing that the transformational objectives must not be subordinated by the ownership targets. So these were clearly the transformation objectives.

That's what we need to come to: transformation for whom? For me, the priority should be transformation for the poor; hence the targets on low-income housing, infrastructure, small businesses. Those may not be as high as they should be; perhaps we can stretch the banking sector more. We need to shift the debate towards those kinds of objectives, which mean much more for the majority in our country. That doesn't mean that we should exclude ownership.

MODERATOR

If we can't reach agreement on such critical issues, what does it do to the image of our financial sector?

MR NDLOVU

Internally, I think it extends and confirms the suspicion and concern that the population, broadly, has about banking and the preparedness of business generally, led by the financial sector; to change. And the issue of ownership is pre-eminent. Without ownership you can't change the structure of the company at the top; therefore you can't change the direction of the company.

So it is disappointing that we are not making the progress we should make. This charter has been good at identifying the key

areas we should be acting on, but the targets are a far cry from where we ought to be.

It's not a major issue for the international community. The point of departure in this country has been, by and large, what are international expectations, and then what are local expectations. One is hopeful that with the new administration there will be a preference for the internal needs of the country as a point of departure.

MS SOOBAMONEY

Ownership is important, but it's not the be-all and end-all. You can make a difference, and have a voice, without ownership. We don't own the country, but we can make a meaningful difference. It's the same concept. The only element we didn't align in the FSC was ownership. We cannot go back and change the contractual issues that took place before the DTI code came into account. Foreigners look to the country for stability, and that you are sticking to your rules. You can change the rules sometimes, but you can't go and change the past.

MR MASHIYA

There is nothing in the FSC, or the codes or any legislation, that prohibits anybody from obtaining any percentage of ownership in a financial services company. The only issue is the type of ownership.

The banking system holds over R2 trillion in assets. That is about 120% of our gross domestic product. Now any financial intermediation business utilises public resources to finance its



investments and asset activities. That makes them a contingent liability on the state. If a bank were to collapse today, the taxpayer has to come in and protect the deposits.

We're talking about a debate that seeks to enhance a 10% target. A target means that you can achieve it, but you can also go beyond that. But that target is to allow ownership that is leveraged. In other words, ownership where you have to borrow from somebody to finance it. In the mining sector you can go to a bank to borrow to buy that stake. In the financial sector you have to borrow from within the financial sector. The question is whether it is fair for an average person who keeps their money at a bank to be financing a leveraged take-up of a stake in the bank, which has a risk of collapsing, and, if that happens, that taxpayer must also sort out the collapse.

We know now that the manner in which the deals have been financed has not been working properly, which is why many of them are underwater, which on its own is a regulatory risk. We're not stopping anybody from coming up with ideas in terms

of how those deals can be structured. That's where I think the discussion should go.

The Minister of Trade and Industry is sitting with an application from the Charter Council to gazette the FSC. The issue is that the Minister feels that we have to galvanise consensus within the Charter Council on the ownership issue.

Now the date has come, and what it means, in effect, is that the codes will start applying going forward, and therefore the legal status of the FSC doesn't hold. Which then implies that the companies in the financial sector will be obliged to comply with the codes.

I think that's a very serious problem. But it doesn't mean that Nedbank is going to be changing its ownership structure. It means that that's what the government is expecting of them to do, but it doesn't mean that's going to happen. There are a number of sections of the codes with which you can comply. And all you need is to make sure that you achieve a certain minimum amount in the Balanced Scorecard. It doesn't necessarily mean that you have to achieve all of them.

Strengthening the system, healing the society

Photos in this article: © Kenny Pinnock



On the eve of elections political parties appear to agree on one thing: fighting crime is going to require a two-pronged attack

Chandré Gould, researcher in the Crime, Justice and Politics Programme at the Institute for Security Studies (ISS), facilitated “Tough on crime: manifestos or reality?”, a pre-election debate hosted by UNISA, the ISS and *The Weekender*. The panellists were Malusi Gigaba of the African National Congress (ANC), Nozuko Pikoli of the Congress of the People (COPE), Diane Kohler-Barnard of the Democratic Alliance (DA), Prince Mashele of the ISS, Zolisa Lavis of the United Democratic Movement (UDM) and Prof Dirk Coetzee from the Political Science Department at UNISA. This is an edited extract from the debate. Given the pending new appointments and new institutions that have been created within the criminal justice sphere, the debate will rage long after the new Ministers have taken up their new portfolios and promised tough action on crime.

MS GOULD

Have any of these parties seriously grappled in their manifestos with the issue of how to address crime in our society?

PROF COETZEE

If we rely primarily on the election manifestos, it is clear that all the parties acknowledge crime as a major priority to present to the electorate. We cannot expect detailed proposals in the manifestos, so I think this is an opportunity for the different parties to explain what they want to propose.

MR MASHELE

I've done a table looking at what the ANC, DA, COPE and the UDM say about crime in South Africa, and I think they should merge and form one party, because what they say is very similar. They all agree there are two realms in which interventions are necessary: the criminal justice system and society. Of course there are differences in nuances and emphasis.

They all agree that they are going to increase the number of police officers, and talk about making the police service accountable and strengthening the institutional mechanism to do that. And all place an emphasis on empowering the Independent Complaints Directorate and strengthening

the criminal justice system as a whole. The UDM, for example, talks about establishing a super ministry on crime prevention. The ANC, of course, does not say it will reinstate the Scorpions. It says it will strengthen the about to be established Directorate for Priority Crimes Investigation.

With regard to society they talk about mobilising. The DA is rather silent on that issue in terms of emphasis. COPE talks about working specifically with non-governmental organisations (NGOs). The ANC talks about street committees. That is very broad. They don't talk about, for example, addressing socio-economic factors that contribute to crime. Marx, I think it was in 1887, wrote in the *New York Tribune*: "Why do you praise the hangman for killing more criminals, only to make space for more criminals. Why don't you fix the social environment that breeds these criminals?" It appears to me that these parties have not actually understood the importance of that question.

MS GOULD

Mr Gigaba, the ANC has been in government for 15 years. During that period the promises about what you're going to do to address crime have changed very little. What are you going to do differently in the future?

MR GIGABA

Rather than say the manifesto has changed very little, I would say there has been continuity. In 1994, we established the comprehensive Crime Prevention Strategy. Underpinning that was the view that at the heart of addressing crime is addressing the social conditions which created crime in the first instance. The apartheid system was a criminal society in its entirety. Since then, what we are doing is to move forward. We can't start from scratch each time we go to an election.

Secondly, statistics indicate that in a number of areas we have succeeded in curbing crime. There are areas of concern, and our government has been very candid in admitting that in the area of crimes against women and children, and violent crimes, there is a need to change our thinking.

MS GOULD

Ms Pikoli, how does COPE see things?

MS PIKOLI

We still support the National Crime Prevention Strategy, it still is relevant. The issue at stake is implementation. First and foremost we want to ensure safe, peaceful neighbourhoods and communities. I think the emphasis has to be on moving away from the national security mindset to a mentality where we talk about citizens, communities and security. We did everything ourselves, as government, and kind of did away with community-based organisations and NGOs. Those are the organisations that enabled people to drive the struggle. So what's wrong with now?

MS GOULD

Ms Kohler-Barnard, why do you think increasing the size of the police service will reduce crime?

MS KOHLER-BARNARD

We take a very holistic view of the criminal justice system. I agree absolutely that the ANC can't start from scratch. Sadly, they've moved backwards so we might have to get back up to scratch. The entire criminal justice system is dysfunctional. We have to tackle the police and its corruption. For them to see four of their top bosses marched off in handcuffs, because they've been selling back the drugs that their own members have risked their lives taking from drug dealers, is appalling. We are fighting against that crony system when pals are put into positions which they then abuse.

In our management of Cape Town, crime in the central business district is down by 90%. That is extraordinary. The policies we've introduced are working, and being shown to work in the other 22 municipalities that we're currently governing. I must disagree with Prince. In fact our manifesto details quite largely the need to catch our children before they fall into lawlessness, gangsterism, drugs. We work with teachers who target at-risk youngsters, and in certain schools we've increased the pass rate from 40% to 70%. The children aren't on the streets.

MS GOULD

The UDM suggests bringing in the army. Why does the UDM think that that is going to work?

MR LAVISA

The South African National Defence Force (SANDF) has a specific role to play. We are patrolling the borders. They should also assist where we employ mass roadblocks, because the numbers of police are diminishing. The SANDF should be requested to support the police.

MS GOULD

Mr Gigaba, previously, we were getting crime statistics annually, and a six-monthly update. That seems to have shifted now. Is this something that we need to be worried about?

MR GIGABA

No. The programme to establish crime statistics continues. But you obviously need to perfect that system, so that you have better information.

MS GOULD

Will we then go back to a six-monthly and annual release of crime stats?

MR GIGABA

No, we will take a decision about how we continue to inform the public about them. But there is no intention to hide this information



Various crime fighting strategies were on display ranging from more police to deeper societal change

from the public, because the country needs to know. Once we have established a proper mechanism to inform the public, we will do so.

MS KOHLER-BARNARD

Perhaps the Deputy Minister of Home Affairs should talk to the Minister of Safety and Security in his own party, who said to me in a debate that he would not release the statistics because opposition members would use those statistics to beat him over the head with prior to the election.



MR MASHELE

How I wish we lived in an ideal society, where the DA and the ANC did not exist, but only society existed. Perhaps we would appreciate the importance of access to information without being inhibited by politics. Crime is a societal problem, it's not an ANC or DA problem.

MS GOULD

What is it going to take to fix the criminal justice system?

MS PIKOLI

COPE stands for a professional civil service: no to cronyism, no to partisanship. Each and every member of the public service owes it to the South African public to be non-partisan. They owe loyalty to the South African Constitution, not to the party. Separate the party from the running of government.

MR GIGABA

The issue of overhauling the criminal justice system is underpinned by five areas. One is the legal and policy framework. The second is capacity. The third is the modernisation of the criminal justice system; in particular, installing modern-day information technology to facilitate the movement of information between the various sectors of the system. The fourth is the evaluation of performance of the various institutions, and the final area is governance, so that you achieve a seamless criminal justice system. This is what its transformation is about, and that work has already begun, led by the Deputy Minister of Justice.

The test of leadership is in being able to assess what you have done, openly admit the weaknesses and mistakes, and change your policies and programmes where they need to be changed.

MS GOULD

There are those who say that until one addresses the societal problems that result in people choosing crime, any criminal justice system that we put in place will be overwhelmed.



MS KOHLER-BARNARD

We have really studied the situation, factoring in international best practice, and we need, for a start, 30,000 more detectives. The South African Police Service (SAPS) has only a 19% conviction rate. If you're a rapist, you're far more likely to get a speeding ticket than ever to be caught, convicted and jailed for rape.

MS GOULD

Are you suggesting that deterring crime is a solution to bringing it down?

MS KOHLER-BARNARD

Certainly. We have to work holistically, but if one's dealing with existing criminals, we have to know as a nation that a criminal will be caught, prosecuted and jailed.

MS PIKOLI

We need to look at the initiative on moral regeneration. It is not appropriate to have that structure being led by government, because then you change it with partisanship. As and when government feels like it, it will ignore that structure. We need to allocate it to civil society, and government becomes a participant. It will have much more vibrancy in terms of participation, and it would run its own programmes without having to be approved by government.

Secondly, we would like to institute youth cadets. The majority of people in those jails are young. It should not be the intention of government to be preoccupied with filling the jails, but to reduce the numbers of youth that go to jail. As they come out of school they can spend time in the administration of the police and anything else.

MS GOULD

Youth cadets make me think that we are going back to a very militarised society.

MS PIKOLI

It is not about militarising the mind, but about instilling a sense of discipline and loyalty to the country.

MS KOHLER-BARNARD

I disagree with the militaristic line; family values should be stressed from school level. It is up to families, not the government, to raise our children.

We certainly address these issues in our policies, but most importantly, those people have to have role models to look up to. And if they look up right now, they're looking at the ANC Executive Committee, six members of which are currently the subject of criminal investigations. Seven are convicted criminals.

MR GIGABA

Fighting crime is one aspect of a bigger programme of social transformation in society, and of reconstruction and development.

The budget of government has been increasing annually, and the largest chunk of that budget goes to education, health, and social security. Government has also introduced the National Youth Service, which is not militarising the youth, but mobilising young people to participate in social transformation in the reconstruction and development of the country.

But what we need to do in addition is to mobilise our communities, through neighbourhood watches, street committees, community policing forums, so that they become partners with government in fighting crime. Nothing else will work.

MR LAVISA

The UDM recognises that there should be a greater role for society in crime prevention. The fundamental question is, what do we understand crime prevention to mean? If we are all ad idem in terms of what that means, then we will be able to co-ordinate our approach; the dysfunctionality will fall away.

MR MASHELE

It is true that our nation is facing disintegration of the social fabric, but the problem I have is that these political parties tend to adopt a constructionist approach; they are the builders. So society waits for these political parties to build. What we should be doing, is asking how we as citizens participate in the building of society. That means the political parties will have to see themselves as followers, but providing strategic leadership. For example, if you were to ask young people what they know about the current debate regarding the transformation of the Youth Commission, Umsobomvu, into the Youth Agency, you would be shocked. They know nothing about that. But the constructionists running that programme claim that it is about South African youth. If that new structure does not produce results, I don't think we should be surprised.

MS GOULD

How important is the example set by leaders to changing behaviour?

PROF COETZEE

I believe it's one of the crucial factors. We are still a young nation. We need models, examples, mentors in a certain sense, of how to construct the new society we are dealing with.

I think we must not try to look for excuses in terms of the social nature of our society. First of all, poverty is not an excuse for crime. There are many other poorer societies in the world where there is less crime than in South Africa. Also, I would say that society itself is not the solution for crime. What is the nature of the social contract? Why do we have the state? The state must provide safety and security, that's its first and most important function. The police and the other criminal justice agencies have that responsibility in the first instance. Society can become a partner in that but it's not our primary responsibility. And the parties here who want to be in control of the state must take that responsibility, they can't walk away from it.



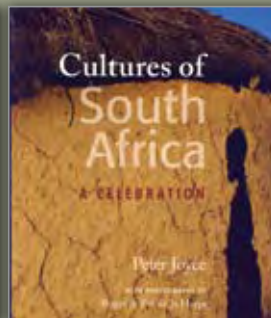
FOCUS BOOK CORNER

Is it Coz I'm Black?

By Ndimiso Ngcobo

Two Dogs 9781920137250

In *Is it Coz I'm Black?* Ndimiso Ngcobo directs his streetwise eye at a fresh range of South African characters and social issues, including glaring targets such as Jacob Zuma, xenophobia and Robert Mugabe, as well as typical Ngcobo subject matter such as his coloured cousins, black-on-black relationships and angry-white-male syndrome.



Cultures of South Africa: A Celebration

By Peter Joyce

Sunbird Publishers 9781919938998

The elements and people of South Africa's indigenous cultures are as varied as the African continent's countless textures and colours. In *Cultures of South Africa: A Celebration* author Peter Joyce and photographer Roger de la Harpe exult in this astonishing multiplicity – from ritual, practice and the past to the geography of the land.

Face of Courage: A Biography of Morgan Tsvangirai

By Sarah Hudleston
Double Storey 9781770130050

Set against the broader social, political and economic developments in Zimbabwe, *Face of Courage* focuses on the life and career of Morgan Tsvangirai. It draws on extended interviews with Tsvangirai and those close to him, providing a detailed look at an internationally respected man committed to restoring Zimbabwe to a workable democracy.

South Africa's Brave New World: The Beloved Country since the End of Apartheid

By R.W. Johnson
Penguin Books 9780713995381

R.W. Johnson's significant new book tells the story of South Africa – from Nelson Mandela's inauguration as President of the Republic in 1994 to the bitter disillusionment of the present. At the heart of the book lies the disappointing figure of Thabo Mbeki, whose overextended drive led to calamitous collapse on various fronts.

Dispatches from the War Room: In the Trenches with Five Extraordinary Leaders

By Stanley B. Greenberg
Thomas Dunne Books
9780312351526

Stanley Greenberg – a seasoned pollster and political consultant – provides an inside look at some of the greatest international leaders of our time. He powerfully recounts his work with the likes of Bill Clinton, Tony Blair, Ehud Barak, Gonzalo Sanchez de Lozada, and Nelson Mandela.



The Virus, Vitamins & Vegetables: The South African HIV/AIDS Mystery

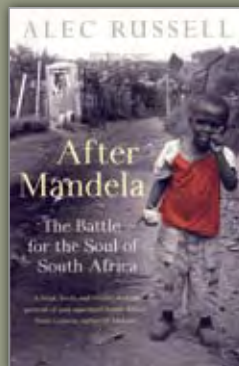
Edited by Kerry Cullinan & Anso Thorn
Jacana Media 9781770096912

How was it that a health Minister was enabled to tout garlic, olive oil, lemons and beetroot over antiretrovirals? How can we make sure that this never happens again? This collection of essays by some of South Africa's leading HIV/AIDS writers, doctors and activists, offers a dynamic re-enactment of one of the most puzzling events of post-apartheid South Africa.

After Mandela: The Battle for the Soul of South Africa

By Alec Russell
Random House 9780091926021

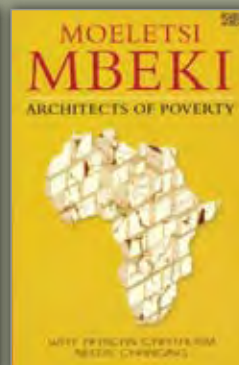
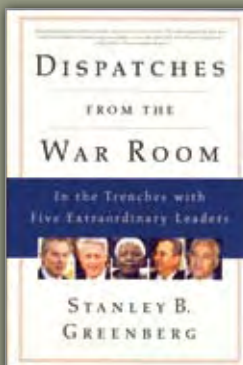
In *After Mandela* Alec Russell draws on his experiences during two tours as a foreign correspondent in South Africa, presenting a compelling and straightforward account of the lives he has trailed over the last two decades. Set in a turbulent time for many African countries as they emerge into the second phase of the post-independence era, this book will have a wide appeal for Africa-watchers everywhere.



Architects of Poverty: Why African Capitalism Needs Changing

By Moeletsi Mbeki
Picador Africa 9781770101616

Of an estimated 1 billion people in the world who are trapped in a cycle of grinding poverty and despair, a disproportionate number live in sub-Saharan Africa. In his groundbreaking and testing new book, *Architects of Poverty*, Moeletsi Mbeki examines Africa's gravest predicament.



**Load Shedding:
Writing on and Over the Edge
of South Africa**

Edited by Sarah Nuttall and
Liz McGregor
Jonathan Ball Publishers
9781868423231

This fascinating collection of non-fiction stories from South Africa's finest authors, journalists and commentators brilliantly contemplates the uncertainty and anxiety of our age. Dealing with a range of subjects from corruption in the countryside, sexual abuse and 'Zuluness' in the time of Zuma, to ethnic panic, these individual narratives reveal fresh perspectives on contemporary South African conditions.

**Africa's Greatest
Entrepreneurs**

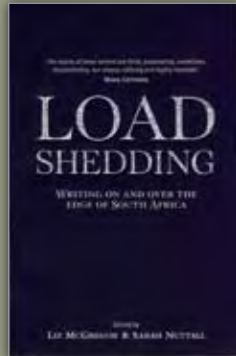
By Moky Makura
Penguin 9780143024309

Africa's Greatest Entrepreneurs is a distinctive collection of stories about 16 of the most successful entrepreneurs and business visionaries presently working in Africa. Each captivating and well-researched chapter examines the life of an entrepreneur and focuses on a sometimes chaotic, often difficult, but mostly exhilarating, passage to accomplishment.

**In Your Face: Passionate
Conversations About People
and Politics**

By Rhoda Kadalie
Tafelberg 9780624047308

In Your Face is a fearless take on the state of our nation from one of South Africa's most controversial commentators. This collection of Rhoda Kadalie's best columns include sections on public figures such as Cyril Ramaphosa, Allan Boesak and Winnie Mandela, "troubled transformation", "media meekness", "foreign fumbles" and more.



**This Child Will Be Great:
Memoir of a Remarkable
Life by Africa's First Woman
President**

By Ellen Johnson Sirleaf
HarperCollins 9780061353475

In January 2006, after 14 years of savagely violent civil conflict, Ellen Johnson Sirleaf was sworn in as president of the Republic of Liberia. This remarkable event marked a tremendous turning point in the history of the West African nation. In this poignant memoir, Sirleaf reveals the inside story of her rise to power, from early childhood to imprisonment, exile and her struggle for democracy and social justice.

Zuma: A Biography

By Jeremy Gordin
Jonathan Ball Publishers
9781868422630

In this unauthorised biography of Jacob Zuma, hardened journalist Jeremy Gordin transports the reader beyond the daily and weekly reporting to denote something of the man: his aspirations; the political rollercoaster he has been on; and his trials and tribulations en route to becoming President of South Africa.

**Wars, Guns and
Votes: Democracy in
Dangerous Places**

By Paul Collier
The Bodley Head 9781847920218

Wars, Guns, and Votes investigates the violence and poverty in the small, remote countries at the lowest level of the world economy. A respected economist and a foremost expert on developing countries, Paul Collier argues that the spread of elections and peace settlements in the world's most dangerous countries may lead to a brave new democratic world.

**Knowledge in the Blood:
Confronting Race and the
Apartheid Past**

By Jonathan D. Jansen
UCT Press and Stanford University
Press 9780804761956

Jonathan Jansen, the first black dean of education at the historically white University of Pretoria, began questioning why his young Afrikaans students, born at the time of Mandela's release, hold unyielding beliefs about a past they never lived. *Knowledge in the Blood* tells the story of how these students evolved under the leadership of new diverse academics, and is a surprising account of how they ultimately changed Jansen.



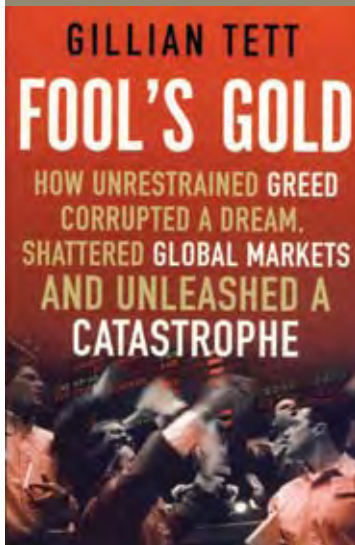
**It's Our Turn to Eat:
The Story of a Kenyan
Whistle-Blower**

By Michela Wrong
Fourth Estate 9780061346583

In January 2003, Kenya was hailed as a model of democracy after the peaceful election of its new president, Mwai Kibaki. By appointing John Githongo as its anticorruption czar, the new government signaled its determination to end the corrupt practices that had tainted the previous regime. Yet only two years later, Githongo himself was on the run, having discovered that the new administration was ruthlessly pillaging public funds.

FOCUS BOOK CORNER





By Gillian Tett

Fool's Gold: How Unrestrained Greed Corrupted a Dream, Shattered Global Markets and Unleashed a Catastrophe

Little Brown Book Group, UK, 2009, ISBN 9781408701645

Review by Raenette Taljaard

I first met Gillian Tett of the *Financial Times* (FT) at a Davos dinner on the future of the dollar in 2006. I had the privilege of sharing a table with her, along with Bank of China's Dr Zhu Min.

Whereas much of the discussion revolved around the possibility of a geo-political shock emanating from Iran or North Korea sending tremors through the financial markets, what left an indelible impression on me was Tett's persistent and insistent view that the equivalent of a financial-sector tsunami from unregulated activity could be the biggest threat to global financial stability.

And how prescient Gillian Tett has proven to be. Her *Fool's Gold* is therefore an important contribution from an excellent financial-sector journalist and commentator who "saw this coming" without being able to lay her finger exactly on what "this" would be, and what form it would take.

Her vantage point of looking at the evolution of events through the prism of a single company, JP Morgan Chase, and its key role in creating the instruments that subsequently caused havoc, allows a unique insight into how the credit-derivative product innovations happened, and became an unquestioned fact of everyday financial-sector life.

This approach allows us to trace how these instruments allowed banks to offload risk, lend more and more at a pace the economy could not absorb, and brought us to the brink of complete collapse.

As the United Kingdom's former Financial Services Authority head, Prof Rob Davies of the London School of Economics, remarks in his *FT* review, Gillian Tett's *Fool's Gold* rather has the quality of a "first draft of history" to it.

Her journalistic instincts as a then *FT* newbie did not fail her, and she asked all the right tough questions of all central bankers and regulators in sight in Davos. That, too, left an indelible impression on me.

But it is not only her journalistic instincts that never failed her; neither does the quality of her analysis in *Fool's Gold*. Her account of the road to catastrophe, and patient explanation of the creativity of debt instruments and credit derivatives – from the CDOs (collateralised debt obligations) to the CDOs of ABS (asset-backed securities) – and how they led to ruin, has been keenly awaited and does not disappoint.

Tett's story is certainly the best explanation of what actually happened with credit derivatives, and how they continued to be sold, taking their toxicity one step further with every single transaction until the entire



system became heart-stoppingly ill and the payment systems were brought to the verge of collapse.

Tett's greatest asset is her method of carefully dissecting analysis. It does not try to produce simple answers to what was a very complex set of factors that led to the financial meltdown which shook the very foundations of financial sectors the world over; and caused a global meltdown.

From the traders, to the creators of debt instruments, to the banks, to the regulators, to the credit-ratings agencies, everyone gets an analytical treatment, however brief or extensive, in this elaborate tale of ever-widening error, greed, fraud and fear, negligence and poor regulation – or rather absent regulation, given the global nature of capital flows.

The only critique that can be levelled is perhaps that Tett sympathises slightly too much with her JP Morgan informants, who resemble a “band of brothers” who created various product innovations that contributed to the mess. She treats them as reasonable individuals – perhaps a forgivable narrative slant, given the access and insights that have been derived from these interviews and vantage point of analysis. However, their role in creating what became “nuclear warheads” at least warranted some normative reflection.

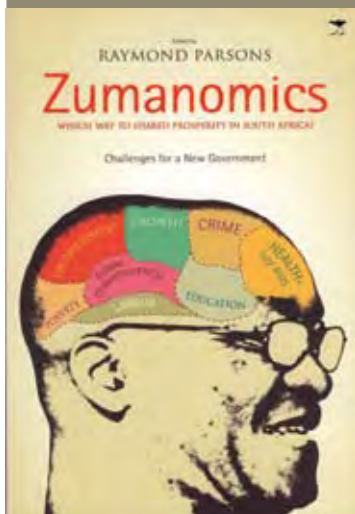
As United States President Barack Obama releases various discussion documents and reform packages on financial-sector

regulation, with the European Union soon to follow, and as G20 discussions about these very reforms continue, one can but only hope that policy-makers are reading how Tett meticulously dissects various regulatory oversights and blunders, in order to see what to avoid in designing future regulatory regimes that will be up to the task, both nationally and globally, without stifling product innovation or curbing global capital flows.

It is perhaps worthwhile reflecting at this time of change that JP Morgan aggressively lobbied the United States Congress and the US Securities and Exchange Commission (SEC), and both the Clinton and Bush administrations, to refrain from regulating the derivatives-trading market in any meaningful way, leaving its policing to self-regulation – a salient lesson about the balance to be struck between the interests of the financial sector and the public good in the regulatory debates that are currently de jour.

Fool's Gold radiates with a depth of structural and societal contextual analysis of which a journalist of Tett's calibre and prescience (with her training in anthropology) can rightfully be proud.

It is an important reference work for those wishing to make sense of the financial-instrument nuclear warheads that very nearly destroyed the world as we once knew it, and the role of their creators in the quagmire we are still struggling to escape from.



By Raymond Parsons

Zumanomics: Which Way to Shared Prosperity in South Africa?

Jacana Media, 2009. ISBN 9781770096479

Review by Raenette Taljaard

Z*umanomics: Which Way to Shared Prosperity in South Africa?* is a collection of thought-provoking essays seeking to delineate the specific policy choices and challenges a new government faces in seeking to address the deep inequality and poverty in South Africa, at a time of global challenge and adverse economic conditions at home, in the context of the country's first recession for over a decade.

It is a well-timed volume, as a new government has just assumed power in South Africa, and a significant rearrangement of the relevant economic ministries in a cabinet restructuring has just taken place. South Africa now has different cabinet clusters tasked with various aspects of economic growth, and a host of new ministries. The relevant cabinet clusters are: Infrastructure Development, Economic Sectors and Employment, International Co-operation, Trade and Security, and Governance and Administration.

In addition, core institutional questions about co-ordination, planning and the role of the state are uppermost in the minds of various policy-makers waiting to interact with the new Ministry for

Planning and the newly proposed National Planning Commission (NPC). The latter will be the subject of a green-paper policy process that will touch on all the economic questions that lie just beneath the surface of these institutional changes to the structure of government itself.

These essays range in scope from a review of South Africa's economic performance since 1994 to the vexed questions of inflation targeting; from fiscal and labour policy, to analytical pieces on industrial policy and national competitiveness; to the role of trade, industrial policy and competition policy. Specific essays will therefore readily find a readership in newly restructured government departments that reflect a new sense of focus.

But it is not only the more traditional aspects of economic policy that receive attention. With chapters included on 'Health policy and growth' and 'Politics and human-oriented development', Parsons's *Zumanomics* makes an important statement about the need to ensure human-capital formation is on track, as part of a longer-term growth strategy that emphasises the human dimension as much as the other, more



conventional, macro-economic variables of economic prosperity. This is a normative judgement that echoes the new tone of government pronouncements about expenditure on health and education as key.

But it is Parsons's own chapter on the role of the state that asks some interesting questions on the aspect of state capacity, often neglected in discourses that are sometimes far too blindly ideological, without grappling with the tough issues underpinning assumptions about the role of the state. In this chapter Parsons refers to a 2008 Organisation for Economic Co-operation and Development (OECD) report that sought to highlight the contradiction between the weakness of state capacity, identified in the Accelerated and Shared Growth Initiative for South Africa (ASGISA), in supporting economic development, and the emphasis on state programmes and policies to address the same constraints. Parsons's comment that state strength is more crucial than state scope is particularly apposite.

Parsons's comments on the need for multiple voices to play a role in charting a strategic course for the country, and the need to institutionalise mechanisms for strategic planning and

co-ordination to make existing mechanisms more robust, appear tailor-made to play an important role as debates about an expanded Presidency evolve.

While all the essays contain useful insights, Parsons himself concludes on the most useful tone of all:

"What is needed from the public sector is to build confidence in its strategic thinking, in dealing with poor performance, managing change effectively, learning from mistakes and working with government departments. This tells us that raising the rate of growth in South Africa and achieving a fairer society have much to do with strengthening state capacity where it matters, or otherwise devising new and innovative mechanisms to ensure effective delivery. It would be more realistic and relevant if in future we spoke to a greater extent about the need for a delivery state".

Perhaps herein lays the rub: a debate about the strength vs. the scope of the state; a debate about a developmental vs. a delivery state. Perhaps this is the very debate that will form a back-drop to the policy discussions that will accompany the green paper process on the new National Planning Commission for South Africa."

DAMBISA MOYO

**DEAD
AID**WHY AID IS NOT WORKING AND HOW
THERE IS ANOTHER WAY FOR AFRICA

With a Foreword by Niall Ferguson

By Dambisa Moyo

Dead Aid: Why Aid is Not Working and How There is Another Way for Africa

Allen Lane, 2009. ISBN 978 1 846 1 40068

Review by Kate Francis

Africa is sick and the broadly accepted, rock-star-endorsed “band-aid” is not working. It's time to get a second opinion and it comes by way of Dambisa Moyo's book, *Dead Aid*.

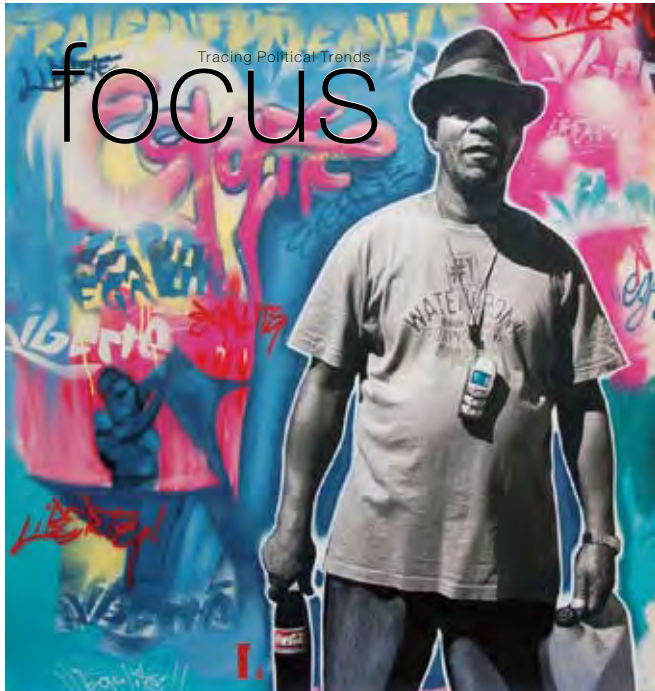
Moyo, a Zambian economist, sees finding a sustainable solution to Africa's problems as a personal mission, and with her string of high-profile degrees from the likes of Harvard and Oxford, and previous employers such as the World Bank and Goldman Sachs, one is certain she is up to the task.

Moyo pulls no punches in calling the choice of aid as the main solution to Africa's poverty “the single worst decision of modern development politics”. She is not referring to emergency relief aid, but rather the billions of dollars of development assistance that has poured virtually unchecked into the continent. She argues that not only has the approximately US\$1 trillion in aid that has entered Africa in the past five decades not made any sustainable improvement, but it is in fact part of the problem; propping up dictators, damaging entrepreneurship and destroying sustainable development.

Moyo provides a detailed account of the history of aid – starting as a geo-political weapon, used by the

super powers to gain allies during the Cold War, and recently becoming a key accessory in the pop-culture lifestyle – and offers a fact- and statistically based insight into why she believes it hasn't worked. She not only diagnoses the problem, but prescribes stopping all aid flows into Africa within five years, and replacing them with alternatives to financing Africa's development agenda based on free-market tools: she recommends a mix of foreign direct investment, capital markets, remittances, micro financing and savings.

Her ideas may not be new, and some of her arguments have even been criticised as “simplistic”, but, by capitalising on social-networking tools such as Facebook, Twitter and YouTube, she has ensured that the ensuing debate has opened up the wound in Africa, allowing the world to have a clearer look at the problem. One gets the impression that regardless of whether she is right or wrong, the strength of this book lies herein. She has encouraged Africa to think for itself, questioned what is broadly accepted and popular, and thus opened the way for more independent thinkers. Aid debate aside, Africa could be well on the way to recovery if it produces more outstanding people like Dambisa Moyo.



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Campaign fever
National Convention
Budgeting for change



Issue 53 • 1st Quarter • April 2009 • R24.95



Suzman Tribute Edition
Eulogy
Motion of Condolence
Memorial

TENTH ISSUE MARCH 2008
QUARTERLY roundtable
THE HELEN SUZMAN FOUNDATION
SERIES

NATIONAL BALLOT 2009

NATIONAL 2009

GOVERNMENT	DEMOCRATIC PARTY	DFP	
NATIONAL DEMOCRATIC CONVENTION			
NEW VISION PARTY	NVP		
PAAR AFRIKAANSE CONGRESSE OF AFRICA	PAC		
PAAR AFRIKAANSE MOVEMENT	PAM		
SOUTH AFRICAN DEMOCRATIC CONGRESS	SADC		
UNITED CHRISTIAN DEMOCRATIC PARTY	UCDP		
UNITED DEMOCRATIC MOVEMENT	UDM		
UNITED INDEPENDENT FRONT	UIF		
WITWEDERSKAP FLEK	WF		
WOMEN FORWARD	WF		
Z PARTY	ZP		
AFRICAN CHRISTIAN DEMOCRATIC PARTY	ACDP		
AFRICAN NATIONAL CONGRESS	ANC		
AFRICAN PEOPLE'S CONSCIOUSNESS	APC		
AL JAMA'AH	ALJ		
ALLIANCE OF FREE DEMOCRATS	AFD		
AZAWAN PEOPLE'S ORGANIZATION	AZPO		
CHRISTIAN DEMOCRATIC ALLIANCE	CD		
CONGRESS OF THE PEOPLE	COP		
DEMOCRATIC ALLIANCE	DA		
DEMOCRATIC ALLIANCE	DA		
GREAT KROMENIE OF SOUTH AFRICA	GKSA		
INDEPENDENT DEMOCRATIC PARTY	IDP		
INSULATA FREEDOM PARTY	IFP		
KEEP IT STRAIGHT AND SIMPLE	KIS		
MINORITY FRONT	MF		

Electoral Economics in the eye of a global storm

